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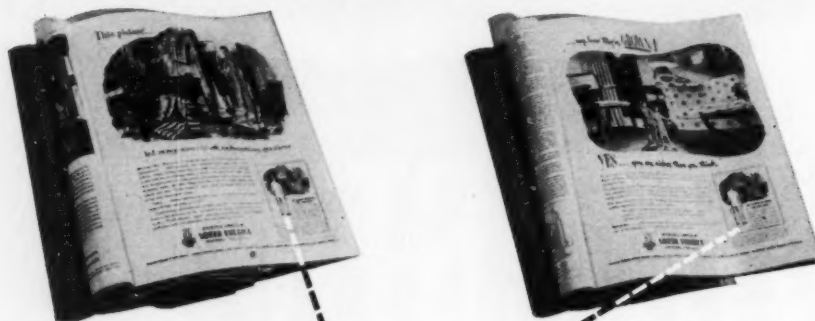
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THURSDAY, JANUARY 20, 1949

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Capacity Problem May Now Be Thing of Past

Decline in Values of Grain, Lumber, Liquor Relieves Much Pressure

The decline that has occurred in the value of just three very important commodities has done as much as anything else to make the capacity problem in fire insurance, temporarily at least, pretty largely a thing of the past. These three commodities are grain, lumber and liquor. In each there has been a very substantial decline and hence the enormous concentrations of value that represented staggering loads to the whole fire insurance industry of the country combined, plus London Lloyds, have been whittled down to proportions that no longer tax the underwriting capacity. Of course there is always the danger that inflationary forces may again become unleashed with fantastic dollar labels being attached to these and other commodities. But this is now generally regarded as an outside chance and local agents, brokers and insurers are today having a much less hectic time of it than they were just a few months ago.

About the only capacity problem that remains so far as grain insurance is concerned is in connection with frame houses of two million bushel capacity. The limit to which Grain Underwriters Assn. can go in frame houses is \$3½ million and hence two million bushels of grain at only \$1.50 a bushel would exceed the capacity. However, the terminal elevators are not in a crowded condition at this time.

May Go Too Far

Some in the business are beginning to wonder just how far this easing up may go—whether it may go so far as to cause everyone to be looking back fondly on the good old days of 1947 and 1948. The leveling off that has occurred so far has been a blessing to almost everyone in the industry. It caused some relief in manpower demands, it has given many in the business something of a breather, an opportunity to try to make plans and take up organizational matters instead of just being occupied with the whirlwind of overwhelming daily details and decisions on current matters.

The leveling off of business has proceeded to the point that it has caused agents and agencies to sharpen up their competitive tactics. In the height of the sellers market in insurance, many agents were so overwhelmed with service work and with getting coverage that was ordered that they simply gave no attention to getting new accounts.

They had no time to devote to such creative work and they had no assurance that they could give the proper service or get the coverage that was wanted should they get an order for a new account. Now, however, there is time to engage in competitive practices and the faster that values decline, the more aggressive will the competition in the insurance field become. Up to a certain point, all good agents and brokers enjoy this competitive activity. The equitable, clear and performable. Most

(CONTINUED ON PAGE 24)

Harry B. Hershey Is Illinois' New Insurance Director

The new insurance director of Illinois is Harry B. Hershey.

He has been the man that Governor Stevenson has wanted for the position and it is understood that he got Mr. Hershey's consent to accept the appointment last Saturday.

The appointment sits exceedingly well with the insurance fraternity, even though the understanding is that he wants to remain in office only a few months. This would take him through the legislative season and then a permanent appointment would be made. It was thought at one time after Governor Stevenson's election that Mr. Hershey would be appointed to the Illinois commerce commission. Presumably Mr. Hershey preferred the insurance post to that.

Mr. Hershey in 1940 was the Democratic nominee for governor and he was a powerful factor in the Stevenson campaign. He has a very close acquaintanceship with the insurance business, as his law firm of Hershey & Bliss at Taylorville does substantial insurance company defense work and from 1932 to 1940, he was counsel for the bureau of liquidations, conservations and rehabilitations of the Illinois insurance department, this being the office over which Frank J. Bartsch has presided as special deputy of the insurance department for 21 years.

Mr. Hershey is known as a man who is successful in delegating authority and commanding loyalty. He has the reputation of scrupulously keeping his word and whenever he accepts a job, he turns out a superior performance.

He takes the place of Nellis P. Parkinson, who started out eight years ago as assistant insurance director and then was appointed director when Paul Jones resigned. He has been conscientious and has won the respect of the insurance business in his administration. Before he entered public office he was for many years with Mutual Benefit Life at Decatur.

Mr. Hershey is a Phi Beta Kappa graduate of University of Illinois and he graduated at University of Chicago law school. He had a brilliant scholastic record. He was elected states attorney of Christian county before he was admitted to the bar and he served in that office from 1914 to 1922. He was elected mayor of Taylorville in 1924 without opposition. He manages some 1800 acres of farm land.

It is expected that a few of the men who were in the insurance department when Ernest Palmer was insurance director will return to serve under Mr. Hershey.

Livestock Loss Is \$29,750 at Saratoga Race Track

Hartford Live Stock had insurance of \$29,750 on 10 of the 23 horses that died in a fire that burned a winter stable at Saratoga Raceway, N. Y. The overall loss is estimated at \$150,000 by the owners.

The fire destroyed some of the best known pacing and trotting horses in the east. The values listed in newspaper accounts ranged up to \$35,000, but Hartford insurance ran from \$750 to \$7,500 per animal. Underwriting of these horses is on the basis of sale price and earnings.

G. A. for Pacific Coast Fire

The Higginbotham Co., general agency of Jacksonville, Fla., has been appointed general agent for Pacific Coast Fire in the state.

Stores' Insurance Needs and Troubles Are Aired

Four Experts Provide Controllers' Congress with Sound Advice

NEW YORK — Properly and adequately insuring department stores and their operations has become increasingly difficult. Four speakers made this abundantly clear in the first session of a National Retail Dry Goods Association convention devoted wholly to insurance. The afternoon program was arranged by the N.R.D.G.A. Controllers' Congress, whose director is John J. Kavanaugh. Roy D. Guernsey, controller of R. H. White's, Boston, congress insurance committee chairman, acted as moderator.

Speakers were John R. Blades, insurance adviser, on analyzing insurance needs; Chester A. Brown, insurance manager R. H. Macy & Co., on effective buying of coverages; Ernest L. Clark, assistant treasurer of J. C. Penney & Co., on selecting the carrier, all of New York City, and Dwight W. Sleeper, insurance consultant, Boston, on today's insurance market.

Deplore Loss of I.U.B. Discounts

It is apparent that department store management is much concerned over inability to get enough insurance and the disappearance of Interstate Underwriters Board discounts. In addition to these worries, however, the speakers laid down a lot of good store insurance buying advice. Mr. Guernsey commented that for the first time in history stores haven't been able to buy as much protection as they wanted and many stores have gone through the last two Christmas seasons inadequately covered with contents insurance. It is necessary today for a store to watch its insurance as closely as it does its stocks, he said.

An analysis is necessary to learn what and how much insurance is needed to conserve the store's resources and earning power, Mr. Blades said.

The owners of the business are the ultimate beneficiaries of protection, since uninsured losses come out of their pockets. Thus a store with a large surplus can absorb some of its casual losses without reducing dividends and without impairing the market value of its shares. The same company can absorb even greater uninsured losses if its stock is widely distributed; the burden on each stockholder will not be noticeable. Federal income taxes can be important in reducing substantial gross loss to a net loss the company can absorb comfortably. Also, if the corporation or partnership is owned by a few individuals, their net incomes may not be materially lessened by a large uninsured loss if it means lower tax rates on their incomes from all sources.

If casual losses up to a specified amount can be absorbed by the company without excessive impairment of the owners' interests, insurance automatically can be confined to the portion of each loss the company cannot afford to bear.

Selective Method More Economical

"The temptation to insure against everything is strong, but yielding to it is expensive," Mr. Blades said. The selective method is more economical and just as safe "if loss exposures are correctly analyzed."

Store A, for example, owns a fire resistant building, with an insurable value of \$850,000, equipped with automatic sprinklers. It is subject to damage by fire, explosion, and aircraft and possibly to minor injury by windstorm, sprinkler leakage, riot and malicious acts. The

store has surplus funds of \$500,000 above a depreciation reserve of \$150,000 for the building. The owner's interests will not be appreciably injured by a gross loss equal to 2% of surplus, and most losses by fire or other perils will not exceed 1% of replacement cost. Two per cent of surplus and 1% of replacement cost are each \$10,000, therefore insurance to cover such a loss is not essential. However, under adverse conditions—and particularly if the sprinklers fail to control the fire—the loss may be as high as 40% of replacement cost, or \$400,000. If up to \$60,000 of this can be drawn from the depreciation reserve, and a further \$10,000 can be absorbed by the store as a coinsurance deficiency, total coverage of \$658,000, subject to an 80% coinsurance clause will fully indemnify the owners.

Where Ordinance Imposes

Store B owns and occupies a building of ordinary brick and semi-mill construction equipped with a standard automatic sprinkler system; cost, new, in 1920, \$300,000. Depreciation at 2% per annum amounts to \$168,000, leaving net book value of \$132,000. If the building is totally destroyed and the store collects \$132,000 from insurance, the financial position of the store and its owners will remain intact. However, the local building code provides that if 50% or more of the structure is destroyed, an entirely new building of fire resistive construction must be erected. This will cost \$650,000. What insurance is needed?

Under adverse conditions a loss of 50% is quite possible. The building might be insured on the standard basis for \$360,000—the estimated current replacement cost less 30% depreciation—but that sum can only be recovered if there is a total loss, whereas the ordinance becomes operative when the destruction reaches 50%. Accordingly, standard insurance of \$360,000 must include a promise by the underwriters to pay the value of the portion actually destroyed and the value of the undamaged part which must be demolished. This will assure a rebuilding fund of \$360,000 from insurance and together with the depreciation reserve there will be available \$528,000. However, the total amount required is \$650,000 plus the expense of tearing down the undamaged section of the present building. If the latter is \$25,000, additional insurance of \$147,000 is still needed. This can be obtained by further extending the standard insurance to cover the increased cost of rebuilding in accordance with applicable ordinances and the expense incurred to wreck the uninjured portion of the old building. The store may elect to self-insure part of the rebuilding cost, but this is not advisable because the estimated rebuilding cost used to fix the amount of insurance needed may not include the "extras" and contingency items which invariably find their way into the contractors bills.

Spread of 110 Points in Need

Store A needs minimum insurance equal to 77½% of the standard insurable value of its building whereas store B needs minimum coverage of 187½% of the standard insurable value of its building. Actual investigation will probably disclose that many typical A stores are carrying from 90 to 100% cover to standard insurable value and many typical B stores hold cover from 80 to 90% of standard insurable value.

Mr. Blades doubts he will ever find a lease agreement in which the insurance covenant and related provisions are equitable, clear and performable. Most of them are incomplete, ambiguous, one-

(CONTINUED ON PAGE 24)

Better Experience, Premium Decline for Aviation in '49

Prospects in the aviation field for 1949 are for a reduction in premium volume but a generally better loss experience.

In the past few months there has been a drastic falling off in the small aircraft business. This began when many airport operators found that the veterans administration was not renewing contracts under the GI bill of rights or was renewing them under such restricted conditions that operators could not get enough students to make the business pay. Many states now demand that a student must prove that he will use an airplane in his business before he becomes eligible for GI training.

Private Plans Sell Cheap

As a consequence of this action, a number of operators are selling equipment and reducing their scope of operations. There is today a glut on the market of used airplanes. At the same time, a number of private "for pleasure" plane owners have decided that their hobby is too costly and they have put their aircraft on the block.

Good used single engine planes are now selling for about \$500, compared with a cost for the same used plane last year of \$1,200 to \$1,500. The plane cost new about \$2,250. Thus in two years the value has gone down nearly 75%.

Expect Better Experience

The private operators who stay in the field will be the ones that can weather the present financial hardships. They will represent better underwriting risks from the flying and credit standpoint. The new VA rulings will also help eliminate most of the persons who take up flying as an "on-and-off" sideline and have caused much of the trouble from an underwriting standpoint.

A decrease in premiums from operators and private flyers is expected this year, but it is thought that the business that is available will prove more profitable than heretofore.

Another favorable side of the picture is the industrial aid business. This branch of aviation insurance is still growing and is one of the best types of risk. These are airplanes bought by businesses for use of their executives, salesmen, etc. The firms usually hire a competent pilot and the loss experience is good.

Litigation at St. Paul

ST. PAUL—The first law suits growing out of disputed adjustments of a recent St. Paul fire have been filed in federal court here. Sam Gifs, doing business as St. Paul Cycle & Supply Co., is suing four companies for a total of \$20,424.

Stating that he carried a \$6,000 policy with each of them he is asking \$5,100 each from West Bend Mutual, Homestead Fire, Tri-State Mutual Grain Dealers Fire of Luverne, Minn., and Underwriters Ins. Co., Chicago.

The companies have asked the court to dismiss the cases, adding that if "relief is denied that the plaintiff recover only so much as may be justly due as to the respect of any loss sustained by the plaintiff."

The companies say that on Oct. 21, 1948, following the fire, Gifs said damage to his establishment was \$13,916.

Because of the original adjustment made on the loss the National Board sent a representative to investigate.

Narten Dodge Co. Speaker

JUNEAU, WIS.—N. C. Narten, superintendent of audits of Fire Insurance Rating Bureau, Milwaukee, described the operations of the bureau as they relate to the local agent, at a dinner meeting here of Dodge County Assn. of Insurance Agents.

Air View of \$1,150,000 Wind Loss



This is an aerial view of the estimated \$1,150,000 insurance loss to the \$3 million Bradley Lumber Co. plant at Warren, Ark., caused by a tornado which ripped a path-way 500 feet wide and 1/4 of a mile long across company property. All buildings in the machine shop group, which is in the center of the photo, were totally destroyed as well as strip flooring, dimension stock, the cut-up factory and the cooling shed. The storm tripped over the self-supporting steel boiler stack in the center of the photo, stopping the draft and causing fire to emerge from the demolished cyclone dust collector openings inside the boiler house. Extensive fire damage resulted in the combustible portion of the communicating engine room and in the adjoining fuel house. The sprinkler systems in partially damaged buildings were rendered unserviceable because of ruptured overhead pipes. The management is making an effort to restore the systems in the lightly damaged structures as quickly as possible. Insurance involved was: Building and machinery, about \$3 million; business interruption with 80% coinsurance, \$746,000; dwellings of the company, \$390,000, for a total coverage of \$4,136,000. The latest loss estimate is: Building and machinery, \$800,000; business interruption, \$250,000; dwellings, \$100,000. (Photo courtesy "Arkansas Democrat," Little Rock.)

Another Favorable Subrogee Decision

Another court of appeals decision favorable to the principle that subrogees have equal rights with original claimants under the federal tort claims act of 1946 was given in the case of National American Fire vs. U. S. circuit court of appeals for the ninth circuit, but the court entered a reservation that may be significant.

Here a government plane crashed into a house causing damage of \$3800 to a house insured by National American Fire. The insurer paid and brought the action under the federal tort claims act.

The court of appeals held that the lower court erred in granting the government's motion to dismiss. The higher court said the language of the tort claims act is so broad that it must be deemed to include subrogated claims. There can be no doubt that the federal tort claims act authorizes suits upon derivative claims.

On the appeal, the government contends for the first time that under the federal tort claims act the assured must be joined in the action and unless this is done, the suit must be brought in the name of the assured. This, on the theory that the U. S. has not consented to the splitting of a cause of action against it under the act. If an insurer were allowed to sue alone as subrogee, judgment in its favor would prevent the assured or other insurers from recovering further damages in other suits on the same cause of action, and such suits might even be brought in several districts, under the provision for venue at the residence of the plaintiff. Also, to permit separate suits by an assured and the insurer would present problems as to the government's right to assert any set-off and counterclaims it might have.

The court of appeals said that since

the question of joinder was not discussed in the lower court, it is inappropriate to pass upon that issue here. However, the court said it regards the contention as presenting an issue of sufficient importance to require that it be raised by suitable amendment of the pleadings and disposed of by that court.

Louisville Board Elects

LOUISVILLE—Louisville Board of Fire Underwriters at its annual meeting advanced John M. Hennessy to the presidency, succeeding Sterling G. Thompson, who had served two years. William W. Gaunt, Jr., became vice-president, and Peyton B. Bethel continues as executive secretary. Mr. Thompson was presented a silver service.

Mr. Thompson in his talk commented that meeting marked the board's 95th anniversary. It now has 106 individual members, representing 68 agencies and local companies. During the year 11 new members were accepted, representing also three new firms. Three members were lost by death.

He suggested that the legislative committee of the board cooperate with and work with the legislative committee of Kentucky Assn. of Insurance Agents in seeking a better agency license law, and also as regards an anti-coercion law.

Agents in Kan. Legislature

Grover Dunn, Arkansas City local agent, is serving his fourth term in the Kansas legislature. Other insurance men in the house include J. C. Berryman, Ashland; A. F. Bieker, Hays; John L. MacNair, Jetmore; Robert H. Jennison, Healy; Chris C. Green, Courtland; Paul R. Shanahan, Salina; and Howard Adams, Maple Hill.

Members of Wichita Assn. of Casualty & Surety Adjusters were guests of the Sunflower Blue Goose puddle at its luncheon meeting at Wichita Jan. 17.

Conklin Succeeds Tucker in Loyalty Group Chicago Post

Harry J. Conklin, who has been assistant manager of the Cook county department of Loyalty group at Chicago for the past three years, has been appointed manager, succeeding William E. Tucker, who has retired at his own request.

Mr. Conklin joined Loyalty group in 1925 and has traveled Ohio, Michigan, Colorado, Wyoming and New Mexico. Before his transfer to Chicago, he was state agent for Illinois with headquarters at Springfield.

Mr. Conklin is a past president of Illinois Fire Prevention Assn. and Illinois Field Club, and is immediate past most loyal gander of Illinois Blue Goose.

Mr. Tucker started with Commercial Casualty in 1922, and at the time of his retirement was secretary and Cook county manager for all the fire and casualty companies.

Big Growth Year for St. Paul

St. Paul F. & M. last year registered an increase in assets of \$10,463,195 or about 13%; net surplus increased by \$2,841,174, or about 8½%; premium reserve was up \$4,096,052 and net premiums of \$42,423,291 were higher by \$3,731,016.

The assets stood at \$90,891,950, capital is \$10 million, net surplus \$36,370,787, premium reserve \$29,300,454. There is a special reserve fund of \$1 million and voluntary reserve was increased by \$165,608. The underwriting net profit was \$2,887,180, investment income earned was \$2,790,166 while dividends paid were \$1,800,000. The income tax incurred was \$1,285,719.

Assets of the affiliated Mercury were \$16,821,965, increase \$4,272,176; premium reserve, \$8,529,679, increase \$1,733,861; capital \$2½ million which is an increase of \$500,000 and net surplus \$3,608,207, increase \$1,480,142.

Net premiums totaled \$10,249,212, an increase of \$1,644,802. The underwriting net profit was \$42,794. Income tax incurred was \$227,000.

St. Paul Mercury Indemnity assets increased to \$39,861,698, the growth for the year being \$7,088,448. Premium reserve was \$12,976,382, increase \$2,559,591; loss reserve \$13,720,270; capital \$3 million and net surplus \$5,513,864, increase \$1,169,060. The net premiums increased about 25% and amounted to \$25,711,061. This was \$5,601,010 more than in 1947.

The underwriting net profit was \$1,570,762, income tax incurred \$645,783.

Fred N. Partch Promoted

Fred N. Partch, who has previously been special representative in southern California for Royal-Liverpool, has been promoted to superintendent of the fire protection department at Pacific headquarters at San Francisco. He attended University of South Dakota and graduated from Northwestern University under a fire insurance scholarship. He was employed by Marsh & McLennan at Chicago, and later by Lansing B. Warner, Inc. In 1942 he joined Royal-Liverpool at Los Angeles as special representative of the improved risk department.

Go on Direct Basis in Cal.

Houston Fire & Casualty and General of Fort Worth, which are affiliated institutions, are establishing a branch office at Los Angeles. Vice-president George Hofmeister is there superintending the change. These companies have been represented by the Roger Williams General Agency.

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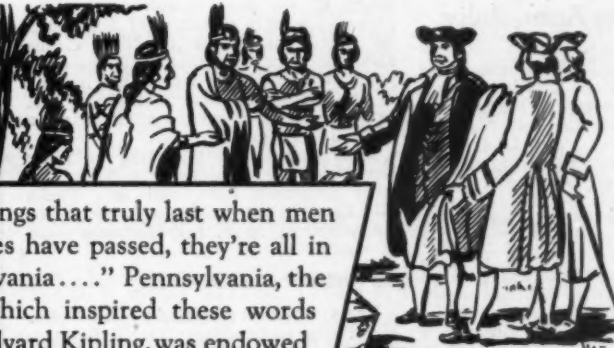
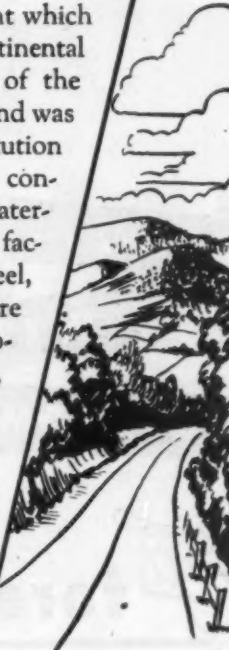

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"The things that truly last when men and times have passed, they're all in Pennsylvania..." Pennsylvania, the state which inspired these words by Rudyard Kipling, was endowed by William Penn with a heritage of religious and social freedom and liberal government which it has guarded well. It played host to the two Continental Congresses, rang the Liberty Bell for the signing of the Declaration of Independence in Independence Hall and was the scene of Valley Forge, the drafting of our Constitution and the Battle of Gettysburg. The Keystone State contains great industrial districts; its coal, oil, gas and water-power supply over 1/5 the nation's power and its factories excel in such diverse products as coke, steel, glass, cement, silks, lace goods and textiles. There are over 170,000 farms within its borders, producing huge crops of wheat, Indian corn, rye, cigar leaf tobacco, potatoes and apples. The state is third in cash farm income from the sale of its dairy products. Insurance agents throughout the state are proud of the numerous historic shrines, the many lakes, gorges, ravines and summer and winter resorts which help to verify the state's motto: "Pennsylvania has everything."



CRUM & FORSTER

MANAGER

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UNITED STATES FIRE INSURANCE CO.	Organized 1824	THE WESTERN ASSURANCE CO., U. S. Branch	Incorporated 1851
THE NORTH RIVER INSURANCE CO.	Organized 1822	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	SOUTHERN FIRE INSURANCE CO., Durham, N. C.	Incorporated 1923

THE ALLEMANNIA FIRE INSURANCE CO., of Pittsburgh . Organized 1868

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.

Farm Wind Losses Serious Problem

C. E. Parks Cites Record in Message at Farm Underwriters Assn. Rally

The seriousness of windstorm losses to the farm underwriters was emphasized in the report of Chester E. Parks, farm department superintendent of National Fire, and president of Farm Underwriters Assn., at the annual meeting of that group at Chicago last week. Mr. Parks said that the period 1943-47 developed an uncomfortable windstorm experience and in certain states three of the five years failed to yield a profit. In 1948 the wind loss ratio alone will prevent many companies from making money on their aggregate farm underwriting. The association is giving this situation a great deal of attention, Mr. Parks added, and a committee has been appointed to study the matter.

He mentioned that there should be continued efforts along the lines of conservative underwriting, especially on buildings. Many of these are overinsured and in event of a depression, thousands of policies would have to be canceled and rewritten.

Mr. Parks stated that the fire loss

ratio in 1948 remained favorable, and that condition is likely to continue provided farm prices maintain a satisfactory level. Ultimately, however, farm prices will seek a lower level and this will bring on underwriting problems.

The companies should encourage conservative loss adjustments, he urged. Many of the loss troubles today are caused by high replacement costs, but he noted that those handling claims should bear in mind that while the companies wish to pay whatever the insured is entitled to, overpayments have just as bad a public relations effect as a gross underpayment.

It is understood that two or three companies are considering entering the farm insurance field, and Mr. Parks said that if they decide to do so, Farm Underwriters Assn. will welcome them as members.

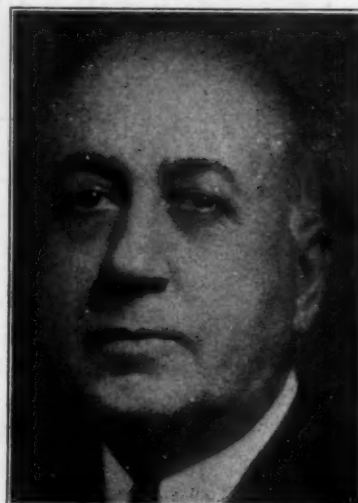
All Officers Reelected

The association reelected all its officers. Mr. Parks is president; H. G. Bannerman, superintendent of the farm department of Hartford Fire, is vice-president, and Kenneth S. Ogilvie, W.U.A., is secretary-treasurer.

Mr. Ogilvie in his report of the year's activities, stated that in 1948 the association qualified as an advisory organization in the W.U.A. territory. It also approved a new grain certificate for cut and uncut grain.

An important activity of the associa-

tion, scholarships for 4-H and Future Farmers of America, were authorized for the coming year. This is an exceptional program of public relations. Farm Underwriters Assn. in 1949 will award 66 scholarships in W.U.A. states to members of the two organizations for agricultural, vocational and home eco-



CHESTER E. PARKS

nomics training. The scholarships, having an average value of \$200, are given for fire prevention work and the winners are chosen by farm leaders.

Plan Testimonial Dinner for Robinson

The entire insurance industry of Ohio has joined in sponsoring a testimonial dinner for Superintendent Walter A. Robinson, at Columbus, Feb. 23.

Representatives of 13 statewide organizations met at Columbus Jan. 14 on call of Harry T. Minister, past president of Ohio Assn. of Insurance Agents, to plan the dinner. Claris Adams, president of Ohio State Life, was chosen general chairman of the committee. Frank R. Middleton, president of Insurance Federation of Ohio, is chairman of the committee on arrangements and Mr. Minister vice-chairman. Homer Trantham, executive secretary-counsel of Insurance Federation of Ohio, is secretary-treasurer of the committee.

Publicity chairman is E. F. High of Ohio Assn. of Mutual Insurance Agents; program, Frank R. Middleton; invitations, C. H. Eichhorn, Ohio Assn. of Insurance Agents; hotel arrangements, A. W. Franklin, Ohio Fraternal Congress.

In addition to Mr. Robinson, Governor Lausche, Robert L. Moulton, director of commerce, and legislative leaders, including the members of the house and senate insurance committees, will be guests of honor.

Claris Adams will preside, and John A. Lloyd, former superintendent, now vice-president of Union Central Life, will be one of the speakers.

The sponsoring organizations include Insurance Federation of Ohio, Ohio Assn. of Life Underwriters, Ohio Assn. of A. & H. Underwriters, Ohio Assn. of Legal Reserve Life Insurance Companies, Ohio Assn. of Insurance Agents, Ohio Assn. of Mutual Insurance Agents, Ohio Fire Underwriters Assn., Ohio Assn. of Fire Underwriters, Ohio Assn. of Mutual Insurance Companies, Underwriters Service Assn. of Ohio, Ohio Assn. of Casualty & Surety Managers, Ohio Fraternal Congress and 1752 Club of Ohio.

Thompson at San Antonio

San Antonio Insurance Exchange Jan. 13, had as guest speaker Wayne W. Thompson, assistant dean of American Institute for Property & Liability Underwriters. He explained work required for the C.P.C.U. designation.

N. A. Deviation May Result in Rate Probe in Pa.

HARRISBURG, PA.—A sweeping probe of stock company fire insurance rates in Pennsylvania may be instigated by Commissioner Malone. He is said to be considering the probe as the result of the action of North American in asking for a 15% deviation in three districts of the state.

The commissioner feels, according to reports, that if one company can slash its fire rates on certain classes of risks 15%, the entire current rate structure may be out of line.

Mr. Malone feels that in addition to regulating insurance operations, his department also has an obligation to the public in keeping rates at a level consistent with a normal return to a company on its business operations.

Ohio Local Boards Elect

Local boards in Ohio have elected new officers as follows:

Wyandot county—Helen Stecher, Up. per Sandusky, president; Norman Zahn, Carey, vice-president; Ancel Shafer, Up. per Sandusky, secretary.

Clermont county—L. L. Harding, Mil. ford, president; Stanton Rock, Loveland, vice-president; E. W. Luke, New Richmond, secretary.

Alliance—C. C. Eynon, president; M. Mansfield, vice-president; W. A. Boyd, secretary.

Springfield—F. D. Johnston, president; E. E. Roberts, vice-president; Chester T. Field, secretary; J. Elmer Bauer, treasurer.

Middletown—William Snider, president; Ralph Grimes, vice-president; H. Swinehart, secretary.

Bruce Hoblitzel, Louisville local agent, has been reelected for his third term as president of Louisville Board of Trade.

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Comments on Dehydrated Alfalfa Fire Losses

A sweeping fire insurance investigation by the W. J. Small Co. of Neodesha, Kan., manufacturers of dehydrated alfalfa meal, at the invitation of THE NATIONAL UNDERWRITER and in answer to an article, "Alfalfa Dehydrators Suffer Jinx," published in the Dec. 9 issue.

"The fire at the former Milwaukee Railroad roundhouse which we were using for temporary storage apparently started from railroad engine sparks or from a tramp building a fire alongside of the building to warm himself on that cold night. The building had been inspected the day before the fire to be sure it was secure—all windows and doors boarded up or locked. No alfalfa meal or anything else had been moved in or out of the warehouse for 60 days before the fire. There was no electricity in the building and as the night was clear, lightning can be ruled out. This fire was reported to the fire department by other than W. J. Small Co. employees—no one of our company knew about the fire until after the fire companies had started to fight the fire.

"Result:—Total loss of this building and contents, with damage loss to adjacent building and contents.

Neodesha Warehouse Fire

"The fire at Neodesha concerned a meal storage warehouse only. This warehouse was of tile and wood construction and was struck by lightning almost simultaneously at the north and south ends of the composition roof. Our watchman immediately located the building struck by lightning and found meal burning in the warehouse. The fire department was called at once. The watchman called the plant manager and W. J. Small, president of the company, and did all that could be done with extinguishers until the fire department arrived. The building was aflame all over the top and a total loss resulted. The meal was piled with an 8 foot aisle down the middle of the length of the building and two 10 foot aisles from the center aisle to the dock.

"The warehouse is being rebuilt 80 x 320 feet, of reinforced concrete floors with corrugated steel walls and divided into three rooms by regulation brick fire walls. The south wall which is exposed to adjoining buildings about fifty feet away will also be a solid brick fire wall. The new warehouse at 18th & Muncie, Kansas City, Kan., has been built with fire wall dividing it into four dry storage rooms and one cold storage room.

"We also plan to erect fire walls in the present warehouses at Memphis and Omaha during the winter and spring months.

List Fire Precautions

"Following are the precautions we take against fire and other hazards:

- All of our plants have approved fire extinguishers in quantities recommended by state inspection bureaus.
- Water lines, wherever possible, are built to warehouses, and hose and nozzle are kept available at points which are readily accessible.
- Floors and aisles are kept clean and free from obstruction.
- Meal is never stacked in the warehouse until it has thoroughly cooled out. Bags are kept on docks and floors in stacks of five for a period of at least 72 hours and usually much longer, before being stacked. A bag that is not cool is never placed in a stack.
- Watchmen with approved watchmen's

clock are on duty at all locations where quantities of meal are stored and rounds are made at least hourly and at some locations much oftener—at all times when crews are not working, especially Sundays, holidays, and during night hours.

—All mill crews are coached and instructed as to procedure to be followed in case a fire occurs.

—The fire department is called immediately and every attempt is made to extinguish the fire in the meantime.

—Fire walls have and are being built to divide the meal storage into small units.

—Our company has been bringing all old electrical installations and making all new construction up to electrical code, with vapor proof lights and switches throughout.

"Alfalfa meal production is seasonal, which means that meal destroyed by any means is hard to replace. Hence we have been and are anxious to avoid fire. We have attempted to comply with

every requirement and recommendation issued by the inspection bureaus in the seven states in which we operate."

Haren Green County Head

MONROE, WIS.—Officers were elected by Green County Assn. of Insurance Agents, at meeting here. William C. Haren, Monroe, is president, succeeding J. H. Hoesly, New Glarus; Kenneth E. Hamilton, Brodhead, vice-president, and Harley Hoesly, New Glarus, secretary.

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Airkem Effectively Combats Smoke Odor Damage

Adjusters are taking an increasing interest in the use of chemicals to cut down smoke odor damage. A recent example was the fire in the ladies dress-making shop of Harold Sussman, Inc., 498 Seventh Ave., New York, Jan. 9, 1949. The fire occurred at 11 Sunday morning, starting in an electrical refrigerator unit. Two sprinkler heads opened and put out the fire, but not before dresses and bolt goods on the premises had become smoke impregnated.

The Harold Sussman shop occupied about 8,000 feet of floor space and made dresses from rayon, silk and wool. In addition to many sample dresses stored in a wood cabinet and finished dresses awaiting delivery, there were piece goods on steel racks and on the top of cutting tables. There was an approximate value of \$40,000 in dresses and piece goods and possibly \$10,000 of value in sample dresses. Without the application of a chemical spray by Airkem, Inc. of 7 E. 47th street, New York, there would have been close to a total loss by reason of the smoke damage. Except for the smoke damage there was not much direct loss except fire damage to equipment, some damage due to wetting by sprinklers and by fire department water and water

to piece goods in the bottom of racks.

Airkem uses essentially the same chemical which is now a common household article in the form of Air-Wick. The chemical neutralizes the odors. That which is used for neutralizing smoke odors in cutting down fire losses has been carefully treated so that it will not spot delicate fabrics. It is a special colorless liquid. Another form of the liquid has been devised to take the odor out of charred wood so that where a loft building might ordinarily be very unpleasant or untenable by reason of charred wood odor, application of this special form of Airkem makes the premises occupiable immediately without any of the unpleasant after effects.

For application of the chemical nothing needs to be moved. Bolts of goods need not be opened up and spread out. Application of the chemical can be started at any time after the fire. It need not be started immediately after the fire is out. Usually within two or three days and sometimes much sooner, the job is done and complete operations may be resumed in the plant where the fire occurred.

Small and large atomizers are used to break down the chemical liquid into vapor. The vapor particles are so fine

that they can scarcely be seen. Since much of the application may be done at night, this, too, cuts down the amount of time which might be lost in operation. In the Sussman plant the smoke odors were cut down 50% in a 12 hour overnight application and in another 24 hours the odors were gone.

Assured Is Grateful

What impresses the adjusters is not only the actual removal of the smoke odor, but the complete change in the attitude of the man who has had the fire loss and finds that instead of losing his market, being out of operation for maybe weeks while he gets new fabrics in and his working force disintegrates, he can resume his business within a few days. The same kind of an effect is achieved in home fire losses when the housewife discovers that all of her carefully shopped for curtains and rugs and household items will be usable and in good order within a few days. The chemical is also especially successful in removing the smoke odor from automobile interiors.

Adjusters also made use of the chemical in a Newark fire last November when smoke damage was caused to garments on tables and racks in a building adjoining that on fire. In a Seattle fire it was discovered that the chemical would also salvage nuts which had been so affected by smoke odor that the health department had decided to condemn the food. After treatment by the chemical the health department approved release of the nuts for consumption and sale.

Adjusters who are familiar with the use of the chemical no longer look upon it as experimental but are definitely committed to its use in any fire where smoke damage becomes a factor.

Attridge Boston President

W. S. Attridge was elected president of Boston Board of Fire Underwriters at the annual meeting, succeeding Robert M. Boyd. Vice-president is L. H. H. Johnson and secretary is Herbert L. McNary.

Mr. McNary, in his report as secretary, referred to the fact that the firm of Field & Cowles has resigned from the board on the assumption that part of its operations might make membership in the board illegal, as the board was then constituted. Mr. McNary said that changes were subsequently made in the board's constitution.

He recalled that the membership classifications of associate agents and associate brokers were established in 1948 and applications for membership in these groups are being sent to former holders of the board's certificates. The idea of establishing a class of membership for company men has been abandoned pending further study. In view of the fact that policing operations have been done away with, Mr. McNary declared that the practice of issuing brokers' certificates by the board has been discontinued. However, brokers' licenses are being catalogued for reference purposes.

Wade Again Pa. Chairman

HARRISBURG, PA.—State Sen. George N. Wade, Harrisburg manager for Ohio National Life, has been re-named chairman of the state senate insurance committee. M. F. Crowe, Stroudsburg agent, is vice-chairman.

Other insurance men on the committee are: E. B. Watson, Mechanicsville; J. J. Haluska, Johnstown, and W. J. Lane, West Brownsville.

La. Senate Committee Named

DES MOINES—Sen. E. K. Bekman of Ottumwa, an attorney, was named chairman of the senate insurance committee. Sen. George Faul, counsel for American Mutual Life of Des Moines, is ranking member of the committee. J. T. Dykhouse of Rock Rapids, Otto Henningsen of Clinton and William Linnevold of Decorah, all local agents, are on the committee.

Ray Bass to Address Ill. Federation Luncheon

Ray S. Bass, treasurer of A. E. Stahl Manufacturing Co. of Decatur, Ill., and vice-president of American Management Assn. in charge of the insurance division, will be speaker at the annual luncheon meeting of Insurance Federation of Illinois Feb. 1 at the Congress Hotel, Chicago.

Mr. Bass is a member of the board of Risk Research Institute and is a well known insurance figure.



Ray S. Bass

Allen Takes Over in Tenn.

NASHVILLE—A new commissioner, M. O. Allen of Newport, took over the insurance department in Tennessee Monday, the first change in more than 10 years. He has had somewhat limited insurance experience in a small-town general agency, but served as state highway commissioner for a brief time.

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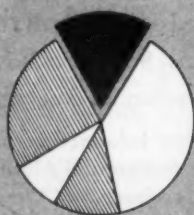
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Launch Plans for N.A.I.C. at Seattle

SEATTLE—Plans for the annual meeting of National Assn. of Insurance Commissioners are being made by a representative committee of Seattle insurance executives, according to announcement this week by Commissioner Sullivan, host to the convention here June 26-30. Alfred E. Rode, vice chairman of Northwestern Mutual Fire, has been appointed general chairman of the committee on arrangements and Ralph H. Baldwin, vice-president of General of Seattle, chairman of the finance committee.

Others serving on the general committee are: J. W. Reynolds, president United Pacific; L. D. Brill, president Northwestern Mutual Fire; D. M. Morgan, president Northern Life; John J. Cadigan, president New World Life; Austin F. Case, president Northwestern companies; Charles H. Leber, president National Public Service; Tom W. Holman, chairman of Sunset companies; J. F. Fogarty, president A.O.U.W. of Washington; Joseph Zimmerman, president Olympic National Life; D. K. MacDonald, president D. K. MacDonald & Co.; Louis LaBow, president, LaBow, Haynes Co.; Stuart G. Thompson, president Stuart G. Thompson-Elwell Co.; John F. Sullivan, Frank Burns Co.; Charlton Hall, Washington Title Insurance Co.; George W. Clarke, attorney for National Board of Fire Underwriters.

Elaborate entertainment is planned for the convention. Commissioner Sullivan said more than 700 double rooms had been reserved at the Olympic and Western hotels.

Paul R. Gingham, counsel for Ohio Assn. of Insurance Agents, will address the Insurance Board of Columbus Jan. 21.

Found U. of Mich. Insurance Library



The nucleus of an insurance library for the extension service of the University of Michigan has been presented by the Detroit Assn. of Insurance Agents and the Michigan C.P.C.U. Pictured above are those attending presentation ceremonies at the university. They are, from the left, Charles Nevens, vice-president of the Detroit association; Robert Sommer, executive secretary of Planet and national C.P.C.U. president; Dr. Russell A. Stevenson, dean of the business administration school; M. Robert Olp, assistant vice-president of Marsh & McLennan, retiring president of the Michigan C.P.C.U. and co-chairman of the Detroit association educational committee; Dr. Warner G. Rice, director of the university library; Windle F. Jarvis, secretary-manager Detroit association; H. Thompson Stock, co-chairman of the Detroit educational committee, and E. J. Soop, director of the university extension service.

Dodge Co. Cover Awarded

JUNEAU, WIS.—The insurance committee of Dodge county board of supervisors awarded a marine floater contract on equipment at various county machinery shops on a bid of \$2,615 submitted by Roland Krueger, Beaver Dam local agent, in Hartford Fire, on behalf of Dodge County Assn. of Insurance

Agents. Local agents in the group will participate in the premium.

N. C. Schools Present Case

RALEIGH—Commissioner Hodges of North Carolina and the state insurance advisory board conducted a hearing at which representatives of the state board of education protested a recent 25% increase in fire insurance rates for public school buildings. This was the latest move in a protracted fight by the education board since Mr. Hodges approved the rate increase last summer. The insurance board has taken the protest under consideration.

It was charged by representatives of the education board that because the raise does not apply to church or private schools, it is discriminatory. It was developed that losses on local school units ran over 50% of premiums and Landon Hill, manager of the North Carolina Fire Insurance Rating Bureau said this called for an increase in premium. A representative of the board of education charged that North Carolina schools are not adequately covered because they cannot afford insurance now and the increase means that they will be even less completely covered. The representative charged that the insurance interests have no figures to support the raise and that fire loss on public school property is at its lowest point in recent years.

Name Not Divulged

The new stock company that is projected by the factory mutual companies as a vehicle for handling general line business that comes their way has had a name selected for it, but this is being kept a secret. This is done because in Rhode Island insurance companies are chartered by special act of the legislature and the Rhode Island legislature has not yet acted on the measure. Hence, the founders feel that the legislators should be the first ones to know the name rather than finding out about it in a secondhand way.

Cal. Hearing Postponed

LOS ANGELES—The hearing on the petition of Rhode Island Ins. Co., for an injunction against Commissioner Downey to restrain him from interfering with the business of the company, scheduled to be heard in the superior court at San Francisco Jan. 17, has been again continued at the request of the company to Feb. 21.

Seeks Autonomy for Utah Dept., Commissioner Open

SALT LAKE CITY—J. Bracken Lee, the new governor of Utah, in his first message to the legislature called for the establishment of an independent state insurance department. Presently the insurance department is under the business regulation commission which controls numerous other activities. Governor Lee is a former general insurance man from Price.

Prominent among those talked of for the post of Utah insurance commissioner is R. W. Garff, deputy commissioner for several years, who resigned recently. It is not believed Commissioner Carlson will be a candidate to succeed himself, but he is expected to continue as an ex-officio member of the business regulation commission. Others mentioned for commissioner include C. N. Ottosen, who was both deputy and commissioner between 1939 and 1943. He recently resigned as assistant state attorney. He was secretary of the interim committee of 1945 which drew up Utah's present insurance code. Other possibilities are Oliver P. Kernodle, former general agent of Penn Mutual, Salt Lake, and O. C. Bowman, General American Life. The appointment is not expected to be made before March 1.

City Insurance Discussed

LOS ANGELES—Insurance Forum of Los Angeles on Jan. 20 will hear G. P. Cronk, city councilman, and F. M. Cummings, director of the budget, speak on "Your City—Uninsured."

Under the city charter of Los Angeles, each department is entitled to handle the insurance on city property coming under its jurisdiction.

At present the board of education and board of harbor commissioners handle all their insurance matters through committees of Insurance Assn. of Los Angeles.

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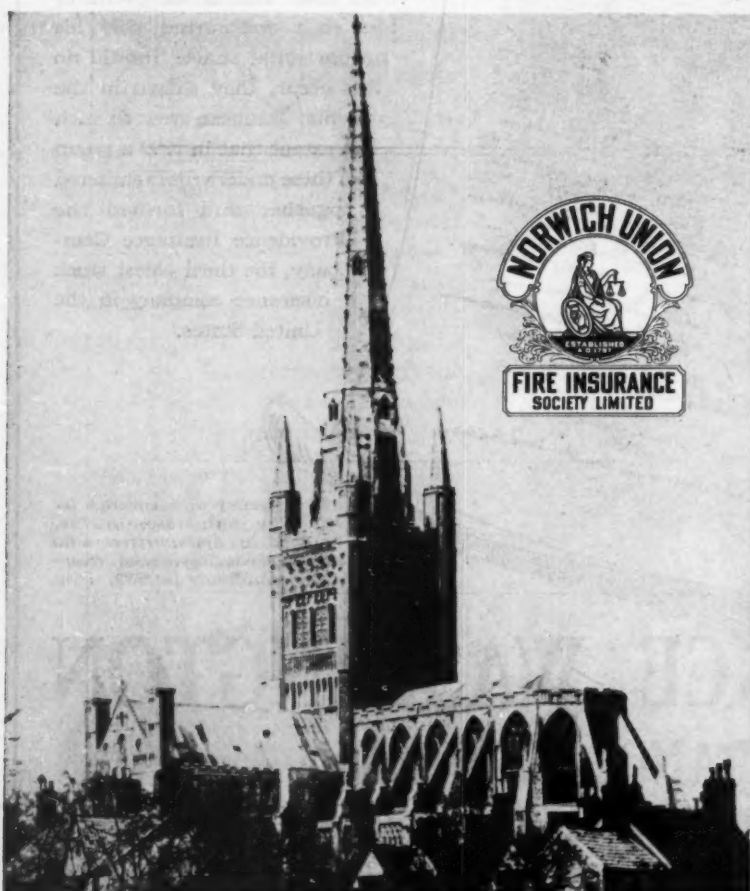
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The polic was praised through Har tomobile Und for the depa ing stolen au in a letter to lander that biles stolen were recover Lt. Grover I his automob

Assured Ask About War and Atomic Cover

Some large assured apparently are giving consideration to possible war hazards and are making inquiry of their brokers as to what, if any, protection is available. For instance, one very large assured made inquiry as to whether any type of cover is available to protect against a sneak atomic bomb attack, comparable to the Pearl Harbor strategy. This inquiry injects the atomic bomb feature but actually, the inquiry reduces to whether there is today any type of land war risk coverage available.

The courts, in construing war clause provisions in life insurance and personal accident policies have uniformly held that the Pearl Harbor attack constituted an act of war although war had not been officially declared. Hence, there can be no doubt that a sneak attack would be regarded as an act of war and the only source of recovery would be through some specific war risk scheme. There is no way in which such protection can be arranged for at this time and there has apparently been no consideration given by Congress to any idea of reviving War Damage Corp. or setting up any other scheme.

Related Question

A somewhat related question is how loss or damage occasioned by an accident involving atomic energy in peace time would be treated under the insurance contract. In France, it is understood, the explosion clause has been amended definitely to exclude any accident involving nuclear fission.

A good many insurance engineers believe that the question is an academic one. They feel there is absolutely no danger of an accidental discharge of an atomic bomb. It is believed that the detonation requires the putting together of certain critical masses, and that this combination is not effected until the selected moment arrives. It is generally believed that there would not be such a detonation even if a plane carrying the bomb should crash into a mountain-side, for instance. It is believed that the utmost precautions are observed in the transportation of the bomb. There remains the possibility of an accident at one of the atomic energy plants or laboratories, but these are in such isolated locations that there would be no damage to any surrounding property.

Wage Violation Report

WASHINGTON—On the basis of limited inspections in the insurance industry during the 1948 fiscal year, it was revealed that employers owed \$46,996 to 1,462 of their employees as back wages because of violations of the fair labor standards act (the federal wage and hour law) and the public contracts act.

This is shown in the annual report of the wage and hour and public contracts divisions of U. S. Department of Labor. In the 12-month inspection period ended June 30, 1948, 545 insurance establishments were inspected.

Failure to make proper payment for overtime work was found to be the most common type of violation, most of the back wages being allotted to employees for this reason.

Praise for N. Y. Police

The police department of New York was praised by automobile fire insurers through Harry Shedd, head of the Automobile Underwriters Detective Bureau, for the department's record of recovering stolen automobiles. Mr. Shedd said in a letter to Police Commissioner Waulander that 9,810 of the 10,206 automobiles stolen in New York last year were recovered. He particularly cited Lt. Grover Brown and the members of his automobile and forgery squad.

P. W. Names S. L. Lucas in Va., Curtis in Carolinas

Providence Washington has named Shelton L. Lucas as state agent for Virginia with headquarters in Richmond.

Mr. Lucas started his insurance career with Southeastern Underwriters Assn. He was later with Travelers in North Carolina. He traveled Virginia for National Liberty for eight years, with the exception of three years with the navy, being released as lieutenant commander.

All business in Virginia will be super-

vised directly by the company instead of through the general agency connection with the Louis E. English general agency of Richmond.

Eugene C. Curtis has been appointed state agent for North and South Carolina. He will have headquarters in the Liberty Life building, Charlotte, N. C.

Mr. Curtis has been state agent for Virginia F. & M. since 1943. Prior to that, he was with American.

Four Join Rosendahl

LOS ANGELES—Ray Rosendahl Co. general agency has appointed Louis D. Maupin, Jr., and Harry F. Kirby as

fire underwriters, and Frank E. Cowan and Lester Leadingham as field representatives. Mr. Maupin formerly was with the St. Paul group, and resigned as special agent with the Phoenix-London group to accept his present position. Mr. Kirby was, for a number of years with the John D. Boyle Co.

Joint Meeting at Alliance

A joint meeting of districts 8 and 9 of Ohio Assn. of Insurance Agents will be held at Alliance Jan. 23. This will be an educational session, sponsored by the insurance division of Alliance Chamber of Commerce.

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- Close cooperation
with our agents
- Sound business
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M. J. O'BRIEN

America Fore group has elected certain officers of the fire companies as officers of Fidelity & Casualty, and officers of F. & C. were elected officers of the fire companies.

Vice-presidents of the fire companies made vice-presidents of F. & C. are: J. Victor Herd, William F. Dooley, Vernon Hall and H. Clyde Edmundson.

Vice-presidents of Fidelity & Casualty elected vice-presidents of the fire companies are: M. J. O'Brien, F. E. O'Brien and W. L. Bates. John C. Brodsky and Harold S. Robinson, secretaries of F. & C., were promoted to vice-presidents of the fire and casualty companies.

Louis Moeckel, assistant secretary of the fire companies, was promoted to



F. E. O'BRIEN



W. L. BATES



J. C. BRODSKY



H. S. ROBINSON

secretary of the fire companies and of F. & C.

Paul J. Emme, resident manager of F. & C. at Los Angeles, was elected secretary of all companies.

H. E. Soward, agency superintendent in Chicago, was elected assistant sec-

retary of the fire companies.

The action was taken to facilitate the multiple line underwriting of automobile insurance in which the group is now engaged and to prepare for multiple line underwriting extension to other lines.

CHICAGO

MOORE, CASE EMPLOYE HANDBOOK

A new handbook, "Working Together," has been distributed to employees of Moore, Case, Lyman & Hubbard, Chicago agency. Highlights of the agency's 90th anniversary are summarized with a graph showing business over the nine decades since 1859. The booklet is looseleaf so that new pages can be inserted. "Who You Are Working With" captions a directory of partners and department heads. The agency's operations are summarized as well as rules and regulations regarding office hours, attendance, holidays.

OFFER EXCHANGE STOCK

A good many tenants in the Insurance Exchange building, Chicago, are being approached to buy stock in Insurance Exchange Building Corp. which, for the first time is being marketed publicly. The stock now being sold comprises one-half of the equity interest and consists of 82,500 shares of \$10 par value stock that have belonged to various members of the Pam family. The initial public offering price is \$14.75 per share and the dividend that is mentioned as a possibility is \$1.10. The other half of the stock is owned by the E. R. Graham estate. The funded debt as of Oct. 31, 1948, was \$6,173,503.

Insurance Exchange building carries fire and extended coverage insurance of \$8,153,800 and there is \$8,977,800 on the Underwriters building, which is the south half of the block. Each building carries \$1 million of rent insurance.

WATCH TENEMENT IMPROVEMENTS

Underwriters who participated in the insurance on the tenement building on 31st street, Chicago, are watching with interest what improvements are being made there.

After three weeks of negotiation, this building was insured for \$25,000 on a 30-day binder. It has been taken over by the city for tax delinquency and was in extremely bad repair. The county collector withdrew as receiver when no insurance could be obtained, and took the job again when a number of com-

panies agreed to participate for nominal amounts.

Cook County Inspection Bureau is making weekly reports to the companies on improvements. If at the expiration of the binder no substantial repairs have been made, there is a feeling that the companies will get off the risk without hesitation.

The inspection bureau notes that work is progressing slowly due to the fact that only three men are on the job. Stove pipes still terminate in the hallways and pass through partitions. Electric cords have not been replaced for standard wiring and broken windows and skylights have not been repaired. The inside stair shaft still is in bad condition.

Report Class A Membership Gain for Cincinnati F.U.A.

CINCINNATI—A total class A membership of 96, a gain of 3 for the year, was reported by J. F. Schweer, secretary-treasurer of Cincinnati Fire Underwriters Assn., at the annual meeting. The number of solicitor members is 780, a decrease of 18. W. J. Herbert, Neare, Gibbs & Co., and A. M. O'Connell, vice-president of Thomas E. Wood, were elected to the governing committee.

G. B. Maggini, president, expressed optimism over the future with respect to commissions. Increasing competition will help improve the situation. The reduction in commissions is probably a factor in the increase in class A membership and decline in solicitor membership, he stated.

J. C. O'Connor, editor "Fire, Casualty & Surety Bulletins," will give the course on casualty lines sponsored by the association at the University of Cincinnati starting Feb. 1, it was announced. "Let's Count the Cost," an Aetna Casualty film, was shown.

Superintendent Robinson of Ohio will be guest at the next meeting.

Frame Mo. Qualification Act

ST. LOUIS — The legislative committee of Missouri Assn. of Insurance Agents met here with President John J. O'Toole of St. Louis and Edward L. Scheufler of Kansas City, the associa-

tion's special counsel, to whip into final shape the qualification bill to be presented to the Missouri legislature.

The meeting also took up a proposed fire marshal law for Missouri, which is to be sponsored by the firemen's union organization of Missouri, and also possible changes in the present casualty and fire insurance rating laws.

Safety Award to Bradley

LANSING, MICH. — The Michigan Assn. of Insurance Agents played host here at a meeting of the Michigan state safety commission's advisory committee. A certificate was presented Russell A. Bradley, Ann Arbor, association president, by Gov. Williams, in recognition of the organization's extensive work in behalf of highway safety throughout Michigan.

Standard Men's Club Elects

New officers of the Men's Club at the home office of Standard Accident and President, Charles Stevens; 1st vice-president, Harold Arvin; 2nd vice-president, William Haas; treasurer, Robert Loucks; assistant treasurer, Robert White; secretary, Henry Carmichael.

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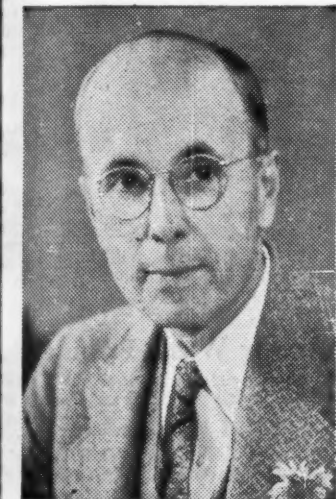
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Honor Retiring Security Officials

NEW HAVEN—Three retiring senior officers of the Security companies were honored by their associates last week at a dinner at the New Haven Country Club. They were W. Perdue Johnson, vice-president; Gilbert H. Fulton, vice-president, and W. A. Thomson, secretary.

Mr. Johnson, who retires in February, started his insurance career in Atlanta in 1896. He joined Security there in 1906, becoming manager for six southern states. In 1907 he was transferred to the home office, and two years later became a general agent with supervision over several southern states. He was elected an assistant secretary in 1920. He became secretary in 1923 and a vice-president in 1926. He has since served as senior underwriting officer.

Mr. Fulton, who also retires next month, joined Security as a junior clerk in 1900. He then worked in various



GILBERT H. FULTON

capacities in the underwriting department and as supervisor of the reinsurance department. Later he became an examiner for several eastern states. In 1919 he became general agent, supervising underwriting operations in the eastern states. He was elected assistant secretary in 1923. In 1940 he became a vice-president, in charge of underwriting in several eastern and midwestern states.

Mr. Thomson, who officially retired last August, joined the company's local office in 1898. In 1902 he was appointed cashier. Later he was promoted to superintendent of the loss department. In 1918 he was elected treasurer. He was elected assistant secretary as well in 1920, and was made secretary in 1926.

Two to Stay in Ohio

Dr. Albert G. Caris, statistician, and Miss Lillian Stickel, assistant finance officer, in charge of licensing agents, will continue in the Ohio department under the new administration.

Wiley Speaks at Waterbury

W. H. Wiley, executive secretary of the Connecticut Assn. of Insurance Agents, gave an illustrated talk on "Your Best Policy" at a meeting of the Waterbury Underwriters Assn. Philip Bliss, Middletown, emphasized importance of revitalizing the programs for the benefit of members and communities they serve. Many persons, he

declared, depend on members for guidance and suggestions in obtaining adequate insurance protection.

Realtors Urge Full Cover

PITTSBURGH—Some 35 realtors, most of whom also write insurance, joined in a three-column advertisement in Pittsburgh periodicals, warning house owners to check up on their insurance against fire and other hazards, so as to cover today's replacement value.

They say the advertisement is producing unexpectedly good results, and is repaying them for the small individual outlay many times over.

Canadian Hail Assn. Elects

W. R. Cope of Hartford Fire, Winnipeg, has been elected chairman of the Canadian Hail Underwriters Assn. for 1949. Vice-chairman is F. L. Thornton, America Fore, Regina. Named to the board were J. F. McQueen, Great American, Saskatoon; O. D. Loudon, Home, Calgary; George Reed of Osler, Hammond & Nanton, Winnipeg; and R. F. Swaine, Norwich Union, Winnipeg. Secretary is A. S. Simpson, Regina.

Talk on Counterfeit Money

A talk on counterfeit money was given at the Jan. 13 meeting of Wichita Assn.

of Insurance Agents by Cecil Edwards of the Fourth National Bank, Wichita, who has made a hobby of detecting "phony" money.

At the next meeting Jan. 27 the films, "Texas City Comes Back", "Before the Alarm" and "Crimes of Carelessness" will be shown with city officials and fire department officers as guests.

Take Over Long Beach Agcy.

LOS ANGELES—Howard W. Wilson and Lewis Miller have resigned from the Ray Rosendahl Co. to take over Owen Insurance Service, a local agency, Long Beach. The agency recently became involved and company representatives worked out a trustee plan under which Wilson and Miller take over. They are to work out the deficit over a period of time, as well as liquidating current items.

Fleming to Speak at K.C.

T. Alfred Fleming, director of conservation of National Board, addresses a dinner meeting of Kansas City Assn. of Credit Men Jan. 20 on "Insurance and Its Relation to Credit."

Plan Dinner for Mass. Governor

Directors of Insurance Society of Massachusetts met Jan. 5 to draw up

plans for a dinner honoring the incoming governor of Massachusetts, Paul A. Dever. This will be held Feb. 17 at the Copley Plaza hotel at Boston. It is expected that 700 insurance people will be hosts.

A. S. Wright to Hartford Southern Department Post

A. S. Wright, Jr., has been promoted from Florida special agent to agency superintendent in the Atlanta southern department of Hartford Fire. He has been with the organization since 1940 in the southeastern field.

John B. Frazer replaces Mr. Wright in Florida. He has been an underwriter with the southern department.

Talk on New Audit Bureau

DES MOINES—George Witmer of the Iowa Insurance Service Bureau spoke before Iowa Blue Goose on the new audit bureau to be placed in operation by Feb. 1, made necessary by the state's new rating law.

Al Seccia has been named vice-president in charge of the insurance department of the D. J. Fredericks Co., Hackensack, N. J. He was formerly with the Alexander Summer Co. at Teaneck.



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Every year it goes higher and higher! Last available figures show that 1947 Accident and Health premiums hit a record of 800 MILLION DOLLARS!*

Think of it!—a type of insurance protection bought purely on a voluntary basis with a volume almost 200 MILLION DOLLARS greater than Workmen's Compensation.

Perhaps you're missing something good by not selling Accident and Health insurance! The best way to check is to figure out how much of that 800 million dollars was yours. And, if you decide to go after this business, remember that the Royal-Liverpool Group Accident and Health Dept. stands ready to help its agents.

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MARINE

Bauer Joins Appleton & Cox in Loss Dept.

Charles J. Bauer has joined Appleton & Cox in the inland marine claims department.

Mr. Bauer started with Wm. H. McGee & Co. in 1918. He was with a marine broker's claims department from 1920 to 1922, and when he returned to McGee as ocean cargo adjuster and also handled inland marine and transportation losses. Later he became manager of the inland marine loss department.

Mr. Bauer has been active in educational and research problems. He served on the inland loss arbitration committee, and the joint fire-inland arbitra-

tion committee. He has written several articles for the insurance journals.

In 1945 Mr. Bauer resigned as assistant secretary in charge of McGee's inland loss department and retired to his dairy farm in Vermont, which business is now being managed by his son.

Henderson Assistant Marine Loss Manager for Automobile

James W. Henderson has been appointed an assistant manager of the inland marine loss department of Automobile.

Mr. Henderson was educated at the University of Pennsylvania and Georgetown University. He joined Automobile as an adjuster at Philadelphia in 1936 and transferred to the home office as an attorney in 1941. After three years in the navy as lieutenant commander, he rejoined the organization.

Discuss Canadian Merger

WINNIPEG, CAN.—Western Canada Personal Property Floater Conference, if present plans are developed, will be merged with Canadian Inland Underwriters Conference, which has jurisdiction in Ontario and Quebec.

If the merger is completed, it is then planned to study the prospects of a merger with British Columbia and maritime organizations to create a Dominion-wide inland marine association or endeavor to bring about uniform rates and forms for all Canada.

If a Dominion-wide organization should result, it will be something unique, as it would bring all classes of companies—tariff, non-tariff, stock and mutuals—together to improve conditions in the P.P.F. field.

COMPANIES

St. Paul Group Makes Three Home Office Promotions

ST. PAUL.—St. Paul Fire & Marine, Mercury and St. Paul-Mercury Indemnity have elected D. W. Swanson agency secretary and J. C. Parish assistant secretary. Mr. Swanson was appointed agency superintendent in 1946 for all three companies. Mr. Parish was recalled last September from San Francisco, where he was assistant manager for the Pacific department of all three companies.

St. Paul-Mercury Indemnity also has elected L. R. Moeller assistant secretary. Since he joined the company in 1934, Mr. Moeller has specialized in service to banks.

Edward R. Smith Advanced

Home has appointed Edward R. Smith, manager of hail department at Chicago, to secretary of the same department.

Mr. Smith joined Home in 1920 as a special agent in Oklahoma, subsequently becoming state agent there. In 1937 he was transferred to Dallas, as a joint state agent and in 1940 was named manager of that office. In 1943, he was transferred to the hail department at Chicago as manager.

Abbott to Maine Bonding

Nelson L. Abbott, for 21 years with New England Fire Insurance Rating Assn. as inspector and rating expert, has resigned to go with Maine Bonding in its general fire department.

New Nat'l Union Directors

William A. Rattelman, vice-president, and William MacLean, treasurer, have been elected directors of National Union Fire. Mr. Rattelman has been vice-president since 1943 and prior to that was New York manager. He has been with National Union since 1931.

Mr. MacLean was with Joseph Froggatt & Co. for many years and was

Philadelphia manager when he resigned to become treasurer of National Union in 1947.

NEW YORK

INSTITUTE COURSES

The 29 courses to be offered in the spring semester of the school of insurance of Insurance Society of New York, beginning the week of Jan. 31, include a new one, appraisal of casualty insurance exposures. This will be a seminar for students who have completed insurance fundamentals for casualty engineers or comparable work. It will be primarily to help the casualty engineers solve every day problems.

There will be 15 weeks of surety classes and an advanced course of fire insurance inspection and rating for the first time. The latter covers selection of risks, use of statistical data, reinsurance, etc. There is an aviation course recommended for agents, brokers, special agents and company representatives, and one on reinsurance, conducted by William F. Delaney, Jr., of Fairfield & Ellis. Other courses include agency and brokerage and marine.

R.B.H. MOVING TO LARGER QUARTERS

Rollins Burdick Hunter Co. agency is moving its New York city office from the 18th floor at 116 John street to new headquarters occupying the entire 30th floor at the same address. This represents a substantial expansion of the New York office, including the enlargement of the average adjusting department.

The new office will be opened officially at an informal reception Jan. 17. On Jan. 19, all executive and male personnel of the office will be guests of the management at an informal dinner in appreciation of the contributions they have made to the expansion of facilities.

The telephone number of the new office will remain the same—Beekman 3-0131.

BROKERS INSTALL

The installation of officers of General Brokers Assn. of Metropolitan New York was held this week, after being postponed, with Deputy Superintendent A. J. Bohlinger of the New York department scheduled to officiate. Commission control legislation and capacity were discussed.

FIELD CLUB P. R. COURSE

The Suburban New York Field Club is sponsoring a discussion group to provide special training for any member

who desires to participate in the work of the public relations committee. Arthur F. Checkett, Fireman's Fund, is chairman of the P. R. group and will act as moderator and director. It will meet for 12 2½-hour sessions on alternate Mondays at the Eastern Underwriters Assn.

FIELD

E. B. Moran to Great American Chicago Post

Edward B. Moran is being transferred from the Wisconsin field to the Chicago western department of Great American, Feb. 1. He will be a field supervisor with underwriting duties. Mr. Moran is being honored at a luncheon of Wisconsin Blue Goose at Milwaukee, Jan. 29. This comes just before the semi-annual business meeting and initiation.

Mr. Moran joined Great American in the Chicago western department in 1930 and over the years occupied various desks. Since 1939 he has been Wisconsin special agent.

Fireman's Fund Names Two Hail Dept. Special Agents

Fireman's Fund has appointed M. C. Gardner and Charles R. Hay, Jr., as special agents in the hail department.

Mr. Gardner will open a new service office for the 1949 season at Charlotte, N. C., covering North Carolina, South Carolina, Georgia and Virginia. He joined the company Jan. 1 for this new development after previous hail insurance experience.

Mr. Hay, who will cover Illinois, has been with the Fireman's Fund for three years at Chicago as chief clerk in the hail department. He will have headquarters in the Insurance Exchange building.

McAnally Wash. President

SEATTLE—John D. McAnally, state agent at Seattle of America Fore, was elected president of Washington Fire Underwriters Assn. at the annual meeting. He succeeds Fred W. Valley, Royal-Liverpool. John G. Miller, Groninger & Co., was elected vice-president; and M. C. Johnson, Phoenix of Hartford, secretary. Mr. McAnally is chairman of the executive committee, which includes D. A. McKinley, Royal-Liverpool; E.

THE CAMDEN FIRE INSURANCE ASSOCIATION IS SEEKING VIRGINIA STATE AGENT

to supervise complete operations of Company. Applicant should have experience in field work and general knowledge of lines written by a Fire company. Written applications invited which will be held in strict confidence. Our employees have knowledge of this advertisement. Address Company, Camden, New Jersey.

A SPLENDID OPPORTUNITY . . .

for a fully qualified fieldman to represent an old, highly reputable and well established Fire Insurance Company in the State of Wisconsin. Headquarters in Milwaukee. Vacancy created by death of former occupant. To receive consideration, reply must give complete history—education, training, experience, age, salary expected, etc.

Address S-81, care THE NATIONAL UNDERWRITER 175 West Jackson Blvd., Chicago 4, Ill.

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for the right young man. A leading firm of Marine Underwriters offers an opening either in San Francisco or Chicago with good opportunities for advancement with the further possibility of greatly broadened experience through travel. A man with general insurance experience, although chiefly Ocean and Inland Marine, is required; one of good education, appearance and ambition.

If you think you are that man, write fully your qualifications. You need not reside in San Francisco or Chicago at the present time. Your reply will be held in strict confidence.

Address S-94; The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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AVAILABLE

Experienced field man presently employed. Over three years with present company. Desires to represent a new company. Recent policy and administration methods have made me very unhappy. Interested in permanent offer from a good company or group. Address T-9, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIRE INSURANCE RATING ENGINEER

Experienced man desired by large insurance brokers familiar with application of analytic system. State age, experience and qualifications. Replies will be kept strictly confidential. Address T-7, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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D. Solsness, Providence Washington; Mr. Miller and Mr. Valley.
Tom Herbert, public relations director for the Seattle Chamber of Commerce, addressed the business session. There was a cocktail hour and banquet, at which W. Guy Frazier was toastmaster, following the afternoon business session.

Arkansas Prevention Plans Told to Kansas Assn.

Kansas Fire Prevention Assn. at its January meeting at Topeka had as guests Jack G. Parsons, North British, president, and Carl Smalley, secretary of Arkansas Fire Prevention Assn., both of Little Rock. Harry B. Brown, Northwestern National, Wichita, Kansas president, turned the meeting over to the two guests to describe the effective fire prevention work being carried out in their state, including the use of picture slides in selling local authorities on the need and value of town inspections. Publicity given their inspections was explained and special white coats worn by the Arkansas members in making inspections were shown. Each carries the name of the association across the back, which assists in breaking down formality when the inspector calls to make the inspection. Their reports were enthusiastically received.

Inspect Lancaster, O., Mar. 1

Fire Prevention Assn. of Ohio will inspect Lancaster March 1. Fred I. Sipp of Hartford is chairman. Richard E. Vernor, Western Actuarial Bureau, Chicago, will speak at a dinner and field men will give talks in all the schools.

New Kan. Educational Setup

The joint educational and public relations committee of the Kansas field clubs met at Topeka and was told that the Kansas vocational educational department has agreed to cooperate in con-

ducting beginners courses of N.A.I.A. in Kansas. The state department will provide a meeting place, heat and light, and pay for the instructor, providing classes of 12 to 15 can be enrolled in any town. Actual cost to the agent will only be 25c per hour of instruction. E. F. McDermott, Home, Topeka, Kansas educational chairman, presided.

Nabors Houston Head

W. P. Nabors of Home has been elected president of Houston Field Club. Walter D. Ellison, American General, is vice-president; Stanley Spore, Fireman's Fund, secretary, and Parker S. Presley, North British, treasurer.

William E. Humphreys, Commercial Standard, was elected to the executive committee.

New committee chairmen are: Wilbor Cecil, American, public relations; Oscar E. Finlay, Commercial Union, fire prevention, and Ben C. Doherty, Commercial Union, loss.

The newly elected officers will be installed at the February meeting.

Menchine Succeeds Bland

Fidelity & Guaranty has transferred Special Agent Richard H. Bland, Jr., to the home office. He will be succeeded in the western Maryland field by Conrad L. Menchine, who will have headquarters at the home office.

Mr. Menchine joined F. & G. in 1931 and has had service in the underwriting department as well as field experience in the eastern territory. During war 2 he served as a captain with the medical division of the army.

Enes Shifts to Michigan

Pierce M. Enes has been named special agent for Automobile in Wayne county and southeastern Michigan, with headquarters in the Book building, Detroit.

Mr. Enes joined the company in the fire underwriting department in 1946.

After completing the home office fire school, he was assigned to Newark, where he has been special agent for the past two years. Mr. Enes attended Trinity College. During war 2, he was in the army air corps for five years and attained the rank of major.

Ehret Heads Kansas Pond

W. F. Ehret, America Fore, Wichita, was elected most loyal gander of Kansas Blue Goose to fill out the unexpired term of George L. Hampton, Phoenix of Hartford, who resigned when he was transferred to Chicago last fall. Mr. Ehret is a past MLG of the Kansas pond. The midwinter dinner-dance followed the meeting at Topeka. Three candidates were initiated, with N. K. Nelson, Great American, Topeka, in charge.

Wilkins Becomes Adjuster

Norman Wilkins has retired as Maine state agent of Royal to become an independent adjuster at Bangor, Me. He was given a testimonial dinner and gifts by the local agents of Bangor and vicinity.

P. W. Names Brown in La.

Providence Washington has appointed Francis X. Brown as state agent in Louisiana and Mississippi. He will have headquarters in the Hibernia Bank building, New Orleans. Mr. Brown was formerly staff adjuster for Home in Louisiana, and is chairman of the loss committee of Louisiana Firemen's Assn.

Eastern F. Fund Field Meet

The eastern division field men of Fireman's Fund will meet with company executives and department heads at Boston the first half of the week of Jan. 24.

Iowa Fire Prevention Assn. will inspect Grinnell Feb. 17.

Malone Seeks to Recodify Pennsylvania Laws

HARRISBURG, PA.—A general recodification of insurance laws in the 1951 legislature has been urged by Commissioner Malone. In an address at a meeting of the insurance section of the Pennsylvania Bar Assn. at Reading, he said the laws governing activities of his department are "not unlike a patchwork quilt."

"The insurance department faces problems of administering laws which are often contradictory, vague or incomplete," he declared. "Sometimes we are unable to act for what we consider the best interests of policyholders and insurers because of definite limitations upon our statutory authority. The limitations, sound at the time the statutes were enacted, have become outmoded by progress."

American Foreign "Ad" Billed Storm in Advance

In the Nov. 4 edition of THE NATIONAL UNDERWRITER, American Foreign ran an advertisement which told how a theoretical windstorm might tear up a warehouse in Bombay, India, and threaten the solvency of a firm in Boston unless the interest of the American firm was protected by insurance. Obliging, on Nov. 23, the real thing hit Bombay in what local newspapers called the most destructive cyclone in its history. The American Foreign manager at Bombay sent a copy of the "Times of India" to the home office describing a 100-mile blow which destroyed more than one warehouse. Eric Arpert, secretary, reports that when the advertising agency, Prince & Co., first presented the advertisement for consideration of American Foreign, there was debate over the intensity of recent windstorms in India. The news clipping from Bombay settled the matter.

General's Broad Coverages...

HELP YOU TO CLOSE SALES PROFITABLY



Agents everywhere—and we have more than 5,000 of the best—report that General's broad coverages and Preferred Risk plan help them to close sales quickly, profitably. Yes, it pays to sell what the public wants. Ask today for details of our outstanding agency plan. It's good for the agent—good for the insured.

It pays to sell what the public wants!



**GENERAL INSURANCE COMPANY OF AMERICA
FIRST NATIONAL INSURANCE CO. OF AMERICA
GENERAL CASUALTY COMPANY OF AMERICA**

HOME OFFICES—SEATTLE, WASHINGTON

Eye Moral Hazard Factor in 1949

As values of various commodities descend, fire insurance men are always wont to speculate on the possibility of a recrudescence of the moral hazard factor. Right now there is a good deal of speculation along this line. Sometimes the moral hazard doesn't always turn up where the book says it should. For instance, following the crash of 1929, many of the underwriters expected that there would be a wave of attempts on the part of distressed merchants and others to sell out to the insurance companies, but very little of this sort of thing occurred.

One explanation that was rather widely accepted was that the break at that time was so rapid and so severe that many who might give thought to the beneficence of a fire changed their minds when they realized that what could be recovered would not be enough even to satisfy creditors and mortgagees and that there would be nothing left for the assured. Hence the theory was that people in these circumstances were better off hanging on, getting concessions they could from their creditors and taking in enough each day to eat regularly. Just when some assured may be on

the verge of cracking is something that no one can determine. Many merchants today seem to be way overstocked and warehouses are jammed with every conceivable kind of goods. Probably most of this stuff, however, could be moved at a price. In these price adjustments, various people are affected differently. Some simply are giving up profits that they were banking on; others may suffer losses in varying degrees. Some enterprisers may become panicky when they realize that the price labels that they have attached to their inventories are unrealistic. Such panic might be aggravated by the necessity of raising cash.

At this particular moment, loss adjustments in many lines could be difficult because assured may be attaching firmer prices to articles than are justified. Already it is said fur coat losses are causing some such trouble. The owners have not realized the extent of the decline in values and are asking for cash settlements that are out of line. Here it is necessary for the adjuster at times to offer to make replacement of the coat.

Gregory & Appel Moves

The prominent Indianapolis local agency of Gregory & Appel will soon move into a well appointed modern office building of its own at 120 East Vermont street, Indianapolis.

Business Interruption Book Published by Rough Notes

A new book, "Business Interruption Primer," has been published by Rough Notes Co. The authors are James R. Gregory, editor of Rough Notes, and John D. Phelan, vice-president of American States Fire.

This is the first publication on business interruption since the war, and the book outlines procedures for selling and writing the gross earnings form for the simpler types of risks encountered by agents. There are discussions of how to determine the kind of insurance to sell, how to compute amounts needed and costs, and how to meet unusual situations. A chapter deals with extra expense insurance and methods of selling that coverage.

Copies may be obtained from the Rough Notes Co., 1142 North Meridian street, Indianapolis 6, at \$1.00 a copy.

Mutual Men Hear Sirois

Edward Sirois, executive vice-president of Mutual Fire Insurance Assn., warned against complacency in the buyer's market, in his talk at the January meeting of New England 1752 Club at Boston.

Mr. Sirois said that field men will have to work harder to produce business from now on. He was introduced by John Adam, Jr., manager of Central Manufacturers Mutual, the new president of the club.

Gluck Cleveland Speaker

Carl A. Gluck, Youngstown, president of Ohio Assn. of Insurance Agents, spoke at a luncheon meeting of the Cleveland board this week. He outlined the association's projects for 1949.

Paul R. Gingham, Columbus, general counsel of the association, discussed the group's legislative program.

A special guest was John W. Barrett, Cleveland, who was selected as the most outstanding Ohio insurance agent of 1948.

New Philadelphia Partners

William Newman, John W. Dickey and Allan V. Cribbin have been named as partners of Booth, Potter, Seal & Co. of Philadelphia. Mr. Newman has been with the firm since 1918 and has been manager of the fire department since 1939. Mr. Dickey has been with the organization since 1929. Mr. Cribbin was formerly with the insurance companies of Illinois Agricultural Assn. and has been with Booth, Potter, Seal & Co. since 1940.

D. C. Agents Hear Nauheim

Speaker at the January meeting of District of Columbia Assn. of Insurance Agents was Fred Nauheim, representative of Sales Executive Club of Washington. His subject was "Free Enterprise is Based On Selling." President J. Hamilton Vance presided.

Three New Agency Partners

William H. Cousins, Raymond Edson, and W. D. Miles have been elected partners of the Frank Sparks Co. general agency of Corpus Christi, Tex.

Marvin Hall, fire insurance commissioner of Texas, states that when his successor takes office he will enter the private practice of law at Austin.

Whelan Named President of Greenwich, Conn., Board

GREENWICH, CONN. — Leonard F. Whelan, who was the first president of Insurance Board of Greenwich when it was organized in 1931, was elected



LEONARD F. WHELAN

again last week to the same position. Carl J. Wold was named vice-president; Charles H. Dayton, secretary, and Edward L. Tracy, treasurer. A. W. W. Marshall is the retiring president.

Mr. Whelan was president of Connecticut Assn. of Insurance Agents in 1937-'38. In 1943-1944 he was chairman of the membership committee of N.A.I.A. In addition to his insurance business, Mr. Whelan serves the town as a sanitary inspector with the health department.

J. P. Schwartz Is New President at New Orleans

New officers elected by New Orleans Insurance Exchange are: President, Joseph P. Schwartz; vice-president, Wilfred M. Kullman; treasurer, Leonard M. Wise, and secretary, Linden F. Braud.

Lansdowne New General Manager of North British

Sir Thomas Frazier is retiring May 31 as general manager of North British & Mercantile, Railway Passengers Assurance, Ocean Marine and Fine Arts & General. He will be succeeded by E. Lansdowne, who has been assistant general manager. At the same time G. H. Aitken and R. G. Harman will assume the positions of assistant general managers. They are presently assistant managers.

Anthracite Club Elects Jan. 25

Anthracite Field Club will hold its annual meeting Jan. 25 at the Casey hotel, Scranton.

Arrangements are in charge of Frank J. McDonald, vice-president, and Bernard Harding, both of McDonald & Harding, general adjusters. The election of officers will follow the dinner.

Skillin Succeeds Nelson

Keith W. Skillin has been appointed special agent for Lumber Mutual Fire in New Jersey, Pennsylvania, Delaware, Maryland and District of Columbia. He has been assisting Clifford C. Nelson, special agent, who has retired to enter a local agency at Chester, Pa.

Young to North Am. in Ky.

J. William Young, after three years as assistant in the auditing department of Kentucky Inspection Bureau, has joined North America as special agent for western Kentucky.



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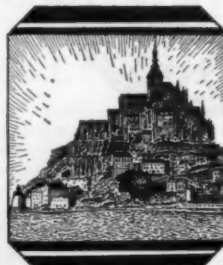
THINGS THAT ENDURE...Through TIME...



MONT SAINT-MICHEL — French citadel once a tidal island in the Middle Ages. Later, in turn, a monastery, fortress, city and seat of Knights. A massed miracle of cloisters, dungeons and ramparts, impregnable through time. Classed as one of the World's Wonders.

The Northern Assurance was organized in Aberdeen, Scotland in 1836 as an Agency Company. It has remained so all-ways.

THE NORTHERN ASSURANCE CO. LTD. FIRE AND ALLIED LINES. AUTOMOBILE INLAND MARINE. REPORTING FORMS. FLOATER CONTRACTS. NEW YORK • CHICAGO • SAN FRANCISCO



Aetna Sever Home

Two new secretaries Fire. S. G. Harold and Tudor have been advanced to presidents, assistant secretary Douglas F. man, E. H. Stover, S. Perry, Le Bogart and M. have been secretaries Messrs. and K will assume Fire and Messrs. J. Hooker with the firm. Mr. Gra 1916, first actuary. E has spent the group. retary in promoted Mr. Jon ness in 192 In 1930 he and organ In 1938 he agent in th partment. secretary was elected Mr. Kir secretary since 1939 1920 at th the reinsu ments. Mr. Sto map clerk and a year training in & Co., Ae 1928 he w special age to Rich where he was trans general ag secretary Mr. Per in an un transferre ment as e ing year h Connecticut and in 194 agent. M secretary Mr. Bo clerk and derwriter. to the los later was Century home office adjuster, a secretary Mr. Ho state agen to that he Fire Insur was made office in 1 sistant sec

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Aetna Names Seven to High Home Office Posts

Two new vice-presidents and five new secretaries have been elected by Aetna Fire. Secretaries G. Harold Grant and Tudor Jones have been advanced to vice-presidents, and assistant secretaries Douglas F. Kirshe-



Tudor Jones

man, E. Harvey Stover, Sidney S. Perry, Leonard B. Bogart and Richard M. Hooker, have been elected secretaries.

Messrs. Grant and Kirshe-

man will assume their new duties with Aetna Fire and its fire and casualty affiliates. Messrs. Jones, Stover, Perry, Bogart & Hooker were promoted to new positions with the fire companies.

Mr. Grant has been with Aetna since 1916, first as an accountant and later as actuary. Except for a brief interval, he has spent his whole business life with the group. He was elected assistant secretary in 1936 and two years later was promoted to secretary.

Mr. Jones entered the insurance business in 1926 with a Los Angeles agency. In 1930 he joined Pacific Finance Corp. and organized its insurance department. In 1938 he joined Aetna as general agent in the home office automobile department. He was elected an assistant secretary in 1940 and four years later was elected secretary.

Mr. Kirshe-

man was elected assistant secretary in 1942 having been actuary since 1939. He joined the company in 1920 at the age of 17. He has been in the reinsurance and accounting departments.

Mr. Stover joined Aetna in 1926 as a map clerk in the southern department and a year later was placed for further training in the office of W. R. Penrose & Co., Aetna agency in Hartford. In 1928 he was transferred to Georgia as a special agent. Five years later he moved to Richmond in the same capacity where he remained until 1943 when he was transferred to the home office as general agent. He was elected assistant secretary in 1945.

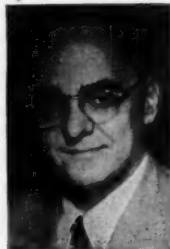
Mr. Perry started with Aetna in 1928 in an underwriting capacity. He was transferred to the special risks department as engineer in 1937. The following year he was made special agent for Connecticut and western Massachusetts and in 1944 he was appointed a general agent. Mr. Perry was elected assistant secretary in 1946.

Mr. Bogart began in 1927 as mail clerk and later became an assistant underwriter. He was transferred in 1930 to the loss department and three years later was made adjuster at Boston for Century Indemnity. He went to the home office in 1941 as assistant general adjuster, and was promoted to assistant secretary in 1946.

Mr. Hooker joined Aetna in 1940 as state agent for central New York. Prior to that he had been with the New York Fire Insurance Rating Organization. He was made a general agent in the home office in 1945, and was promoted to assistant secretary two years later.

Marks 40 Years in West with Fire Association

Melvin LePitre, assistant manager in the western department of Fire Association, was honored Wednesday evening at a dinner marking his 40th year with the company. A. F. Powrie, western manager, was master of ceremonies, and presented Mr. LePitre with an engraved wristwatch. About 20 of Mr. LePitre's Chicago office associates attended.



M. LePitre

Mr. LePitre started as an office boy and was advanced to examiner. He was sent into the Illinois field as special agent in 1911 and became state agent in 1917. He was transferred to the western department office as second assistant manager in 1923. In 1927 he was named assistant manager.

Mr. LePitre has served as president of Illinois State Board of Fire Underwriters, vice-president of Illinois Fire Prevention Assn., and as treasurer of Fire Underwriters Assn. of the Northwest.

Fort Wayne Board Elects

FORT WAYNE, IND.—Fort Wayne Assn. of Insurance Agents has elected Duward B. Gilson, president; Earl Siebold, vice-president and chairman; Lester Marker, treasurer, and Irma Hartman, secretary.

The Hummer agency, Dover, N. J., one of the oldest agencies in that section of New Jersey, has been sold by Mrs. A. D. Hummer to the John Roach agency of there. Mrs. Hummer will still be associated with the agency.

Wichita Assn. of Insurance Women had a traffic safety program in cooperation with the safety division of the Wichita police department at a dinner meeting Jan. 19. Plans for the marine insurance course of N.A.I.A. were discussed.

Travelers Group Total '48 Premiums Over \$390 Million

HARTFORD—Premiums written by all Travelers companies in 1948 totaled \$390,379,000, it was announced Tuesday. Gain over 1947 was \$34,860,000, not as large as the gain of \$57,054,000 reported last year. Vice-president Esmond Ewing attributed this to the cautious agency and underwriting program that good business judgment required the companies to follow in 1948.

Fla. Mid-Year Splash

The Florida Blue Goose held its semi-annual splash at Dubsdread Country Club, Orlando, the schedule including ritualistic ceremony, business meeting, luncheon, golf tournament, cocktail party and banquet.

In charge of arrangements was Marshall L. Gann, Winter Park, assisted by Stanley C. Wright and Earle G. McLin, both of Orlando.

Special guests included Harry N. Taliaferro of Atlanta, deputy most loyal grand gander, and George E. Edmundson, Tampa, past most loyal grand gander.

Nuckles to Hanover in Ohio

Thomas O. Nuckles has been added to the Ohio field force of Hanover to be associated with State Agents Paul F. Brown and Glenn F. Graf. He has been an insurance man since 1930, except for war service in the coast guard, and has had local agency, home office and field experience.

New Officers in K. C.

New officers elected by Casualty & Surety Underwriters Assn. of Kansas City, Mo., are: President, Paul A. Dow, Hartford, Conn.; Vice-president, Vernon Griffith, W. B. Johnson & Co.; Second Vice-president, W. J. McCord, American Automobile, and Secretary-treasurer, Walter Cook, Herbert V. Jones & Co. Donald Lawrance, Traveler, is chairman of the executive committee.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 13 So. LaSalle St., Chicago, Jan. 17, 1949

	Div.	Bid	Asked
Aetna Casualty	3.00*	78 1/2	81
Aetna Fire	1.80*	50	52
Aetna Life	2.50*	54 1/2	55 1/2
American Alliance	1.10*	25	24
American Auto	1.20	45	46 1/2
American Casualty	.50	11	12
American (N. J.)	.70	17 1/2	18 1/2
American Surety	2.50	61	62 1/2
Boston	2.40	62	64
Camden Fire	1.00	19 1/2	21
Continental Casualty	2.00*	52	53
Fire Association	2.50	60	62
Fireman's Fund	2.60	80	82
Firemen's (N. J.)	.50	15 1/2	16 1/2
Glens Falls	2.00*	48	50
Globe & Republic	.50	10 1/2	11 1/2
Great Amer. Fire	1.30*	32	33
Hanover Fire	1.20	31 1/2	32 1/2
Hartford Fire	2.50*	117	119
Home (N. Y.)	1.30	29 1/2	30 1/2
Ins. Co. of North Am.	3.50*	104	106
Maryland Casualty	.50	15	16
Mass. Bonding	1.60	25 1/2	26 1/2
Merchants Fire, N. Y.	1.15*	30	32
National Casualty	1.25*	24	25
National Fire	2.00	50	52
New Amsterdam Cas.	1.20	30	31
New Hampshire	2.00	42	44
North River	1.00*	24 1/2	25 1/2
Ohio Casualty	.80	49	Bid
Phoenix, Conn.	2.00*	87 1/2	89
Preferred Accident	.20	3	4
Prov. Wash.	1.40*	32 1/2	34 1/2
St. Paul F. & M.	2.25*	76	78
Security, Conn.	1.40	34	35 1/2
Springfield F. & M.	1.90	45 1/2	46 1/2
Standard Accident	1.45	31 1/2	32 1/2
Travelers	22.00*	638	648
U. S. F. & G.	2.00*	50	51
U. S. Fire	2.00	60	62

*Includes extras.

NEWS BRIEFS

Neal E. Wycoff, Michigan marine superintendent of Aetna Fire, discussed inland marine insurance at the January meeting of Insurance Women's Club of Detroit.

William Gammon, who has been a member of the Freund, Gammon & Cuthbertson agency, Austin, Tex., has withdrawn from the firm and is now operating his own agency.

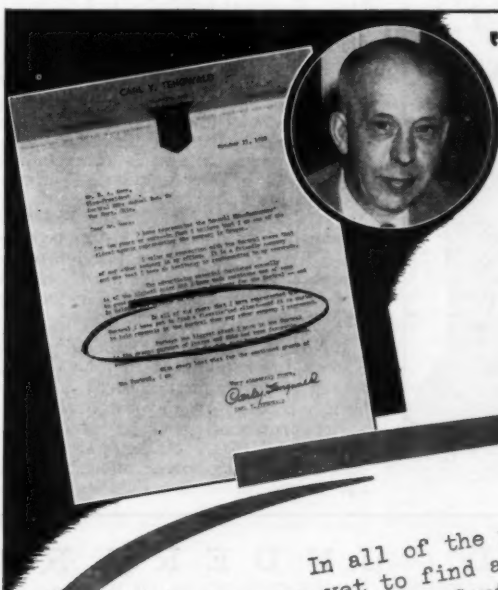
Insurance Women of Austin, Texas, heard a report from Mrs. Alyce Schwab, Texas Checking Office, on the fire prevention radio programs, sponsored by the group. It was announced that an evening school for insurance workers, under the direction of Austin Assn. of Insurance Agents, with the cooperation of the Insurance Women, will open the latter part of January to continue for eight weeks.

"Easier to hold renewals in The Central" writes Carl Y. Tengwald, Medford, Oregon

Carl Y. Tengwald, highly successful insurance producer, has been a Central agent for more than a decade. "In all the years I have represented Central, I have yet to find a dissatisfied client," he declares.

"Perhaps the biggest asset is Central's prompt payment of losses," Mr. Tengwald comments. He also likes Central's advertising material—finds it very effective in securing new business and in keeping old clients on the books.

Investigate the Central. Discover why Central producers everywhere agree with Mr. Tengwald who says, "I value my connection with the Central above that of any other company."



In all of the years that I have represented the Central I have yet to find a dissatisfied client--and it is easier to hold renewals in the Central than any other company I represent.

WRITE FOR THE CENTRAL
PLAN FOR AGENTS AND BROKERS



THE CENTRAL
MANUFACTURERS' MUTUAL INSURANCE COMPANY
VAN WERT, OHIO

Rating Talk for Buyers

W. K. Estep, manager Middle Department Assn. of Fire Underwriters, Pittsburgh, will discuss the new uniform grading schedule adopted by the rating division in October, before Insurance Buyers of Pittsburgh Jan. 24.

Springfield Assn. of Insurance Women heard a discussion of "Personal Property Floater Coverage" by W. A. Francis, special agent of North America, at the January meeting.

EDITORIAL COMMENT

Competitive Year for Inland Marine

Ocean marine specialists have resigned themselves to a tacky outlook for 1949 but would be very pleased to have it turn out that they had miscalculated.

They base their pessimistic forecast on certain very definite elements, one being the continued and increasing restrictive nationalistic policies of various countries, particularly the Argentine. Another minus factor in the outlook is the lack of interest in procuring American marine insurance for E.C.A. shipments. The U. S. market is almost completely being passed by in this traffic. And then, of course, there is the shortage of dollars throughout the world with which to purchase American products that are not given away.

The ocean marine people see some ray

of hope for the year in the movement that is being developed to promote imports. Work is being done abroad to help foreign interests in reaching the American market with products that would be the most acceptable here. If this program should be in any way successful, it would tend to stimulate foreign commerce in both directions and the marine insurance prospect would then become somewhat brighter.

As things stand now, however, little reliance is being placed on ocean marine departments to bring home much bacon this year. Hence the companies are going to place greater emphasis on the inland marine line and this means undoubtedly an extremely competitive year for inland marine insurance.

Advice on Preparedness

What was supposed to be an exceptionally impressive ceremony and had been likened to the driving of the Golden Spike to link transcontinental rail travel — the first public viewing of television through the new coaxial cable linking many cities in the east and middlewest — inadvertently featured an example of unpreparedness on the part of a public speaker. It did seem to detract somewhat from the impressiveness of the occasion, but on the other hand it gave the television listener perhaps a

sense of reality that he does not get from the better rehearsed radio and movie program. Here the boner was that Vincent Impellitteri, president of New York's city council, subbing for Mayor O'Dwyer, after making a little inaugural speech, mentioned that the next view would be that of Mayor KENN-elly of Chicago.

This was supposed to be an extremely dramatic and momentous instant, as in a twinkling the scene was to shift from the top man in New York to the top

man at Chicago, but Chicago listeners, at least, snickered instead of expressing awe, at this peak moment.

This incident merely prompted us to counsel insurance people whenever making a speech or conducting a meeting to review ahead of time any names that are to be mentioned and to be sure of the pronunciation, so that when the time comes there will be no stumbling over an unfamiliar name or any confident mispronunciation. Such a boner can loom up in the mind of the audience as the most

memorable event of an evening and can destroy a lot of serious purpose. Since it is a common human weakness to fail to make much preparations and to flounder over names, we're far from displeased with television. If one can anticipate a bloomer from time to time, it will make television much more exciting than the radio. The point we desire to make here is to caution our insurance friends against making this kind of bloomer, which can give a ludicrous or embarrassing turn to a gathering.

PERSONAL SIDE OF THE BUSINESS

Stuart Ragland, Richmond, Va., past president of Virginia Assn. of Insurance Agents, is taking the rest cure at a Richmond hospital. He hopes to be back on the job in a week or two.

Thomas McGee, head of the well known Kansas City local agency of Thomas McGee & Sons, and president of Old American Ins. Co., on Jan. 28 will observe his 90th birthday and a dinner in his honor will be attended by six children, 24 grandchildren and 10 great grandchildren.

Mr. McGee entered the general insurance firm of Corrigan, Madden & McGee in 1910 and two years later formed Corrigan & McGee. In 1916 he founded Thomas McGee & Sons. Associated with him are three sons and two grandchildren. In 1935 Mr. McGee organized Reserve Mutual Fire and Reserve Mutual Casualty, the names of which were later changed to Old American Mutual Fire and Old American Mutual Casualty. In 1939 he organized Old American Ins. Co. to specialize in writing life and A. & H. insurance for oldsters. Old American issues accident and hospitalization policies to age 85 and life policies to age 80.

Mr. McGee is a director of Commerce Trust Co., of Central Surety and U. S. Supply Co. He was born at Brighton, Mass., in 1859.

A testimonial dinner is to be given Feb. 1 to Thomas P. Brophy, who is retiring as chief fire marshal of the New York fire department, where he has been 40 years, latterly in command of the bureau of investigation. Through his years of friendly relations with the National Board, Mr. Brophy is well known in insurance, and insurance people will make up part of the dinner attendance. Harry R. Dash, a broker, long time friend of Mr. Brophy, is on the dinner committee.

Edwin J. Stewart, chief engineer of Kansas Inspection Bureau for 25 years, retired at his request Dec. 31, and has been succeeded by Edward N. Harsha, a fire protection graduate of Armour Institute in 1924. Mr. Stewart started with the Kansas bureau about 34 years ago in the rating and electrical depart-

ments. A son, H. G. Stewart, is North America special agent at Wichita, assisting State Agent R. B. Lathan.

George Olmsted, chairman of Hawkeye Casualty and president of Security Fire of Des Moines, was married Saturday to Mrs. Carol Shearing Hoy of Farthing, Wyo., at the National Presbyterian Church, Washington, D. C. George Olmsted, Jr., was his father's best man.

They will spend three weeks in New York and Florida before returning to Des Moines.

Capt. Edward C. Holden of United States P. & I. agency, 116 John street, New York, has been awarded the New York state conspicuous service medal by Governor Dewey. Mr. Holden is commander of an American Legion post and the ceremonies were held at the legion's national headquarters. Among the guests was Ray Murphy, general counsel for Assn. of Casualty & Surety Companies. The medal was awarded for highly meritorious service to the state and people of New York.

Laurence E. Falls, secretary of Insurance Institute of America, read pages from his forthcoming book to the Bay State Club of Boston at its January meeting. He summed up by declaring that in all insurance policies (1) all the value at risk must contribute its share of the premium; (2) there must be insurable interest; (3) there must be the principle of mutuality or community of interest; (4) indemnity; (5) commutation.

H. M. Sisson of Laredo, Tex., formerly of Oklahoma City, for about 40 years Oklahoma state agent of Phoenix of Hartford, who has been in ill health since his retirement several years ago, has shown considerable improvement in the last four months, according to John Benson, secretary of Oklahoma Fire Underwriters Assn. who visited Mr. Sisson at Laredo.

Chester E. Parks, superintendent of the farm department of National Fire, is recovering from a dislocated shoulder which he suffered when he slipped on the ice near his home at LaGrange, Ill. Mr. Parks was forced to deliver his report as president of Farm Underwriters Assn. while carrying his arm in a sling.

Willard Crotty, J. W. Lindsley & Co., president Dallas Insurance Agents Assn. and a past president of Dallas Junior Chamber of Commerce, has been elected as Dallas' "Outstanding Young Man of 1948." At the 1948 Chicago convention of N.A.I.A. he took part in the panel discussion of handling of municipal in-



Thomas McGee



"THIS IS SO POTENT THAT THE PERFUME COMPANY HAS ARRANGED FOR INSURANCE TO COVER THE RISKS INVOLVED."

THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

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insurance by local boards. He teaches principles and practices of insurance in Dallas College, the evening school of Southern Methodist University, where some 60 students are preparing for C.P.C.U. examinations. He is a C.P.C.U.

Kurt Hitke, head of the Chicago agency bearing his name, is off with Mrs. Hitke on a six-week jaunt to California and Honolulu. Mr. Hitke will look after business interests in California and then they will sail for Honolulu. They expect to return by air.

Hugh L. Mehorter, state agent in southern New Jersey for Crum & Forster, who is an assemblyman from Camden county, has been made speaker of the New Jersey assembly.

Will H. Harrison, retired Iowa state agent of National Fire, is visiting friends at Des Moines. He now resides in California, where he moved after retiring Jan. 1, 1948.

Frederick C. Langone of the Boston agency of Langone & Tommasino, has been appointed a military aide to Governor Dever. He served in Europe in the late war in counter-intelligence.

The Chicago staff of American Foreign has had a busy week of speaking with **Allen L. Pither**, manager, addressing the Kansas City insured members of Associated Industries of Missouri and **R. Maynard Toelle** speaking to the western department field men of America Fore at Chicago.

DEATHS

Edwin H. Easley, 81, prominent in insurance circles at Bluefield, Wis., for nearly half a century, died in a hospital there after an illness of several weeks. He was born at Richmond and went to Bluefield 46 years ago. He was first associated with Flat Top Insurance Agency and later organized his own firm.

He organized and headed the firm which built Law & Commerce building, one of Bluefield's largest office buildings.

Edward E. O'Brien, 58, special agent for America Fore at White Plains, N. Y., died at his home at Mamaroneck. He had been with America Fore since 1918. A native of Troy, N. Y., he entered insurance in 1905 with Liverpool & London & Globe.

Harry J. Woodworth, 67, of Wahoo, Neb., secretary of Farmers Mutual, Farmers Assessment Tornado and Nebraska Farmers Mutual Re-Insurance Assn., died at Omaha.

Edward S. Judd, 62, head of the Judd & Parsons agency, Holyoke, Mass., died there. He was a son of Charles Judd, who founded the agency in 1872. He was a former special agent for Queen and had been a member of New England Insurance Exchange since 1910.

Thomas E. Babb, Jr., 70, former president of Worcester Board, died at Worcester, Mass. He was well known as a music director in churches in Boston and Worcester.

William P. Molloy, 61, of Hartford, state agent America Fore, died suddenly at Ansonia, Conn. His first insurance experience was with Scottish Union, for which he became an examiner. He went with Automobile and after army service in the first war went into the field for that company at Syracuse. He

went with Fidelity-Phenix in 1923 as special agent for Connecticut and western Massachusetts, and some years ago was appointed state agent for all America Fore fire companies in Connecticut. He celebrated his 25th year of service and entry into the Old Guard last November.

Lloyd Best, 63, mayor of Lake Geneva, Wis., and member of the W. F. Best & Co. agency, died after being stricken with a heart attack in the council chamber. He had been in the business since 1926 and became mayor last April.

In the obituary notice of **C. J. Schrup**, who was president of Dubuque Fire & Marine, an erroneous impression was created by the statement that Mr. Schrup's main activity had been in the financial end of the business. Actually Mr. Schrup guided very closely all phases of the company's activities, including underwriting, and even though for some little time he had been confined to his home by illness, he kept in close touch with the company's affairs and continued to exercise guidance.

Mr. Schrup's son, **C. J. Schrup, Jr.**, is starting out with the company and is indicating an unusual aptitude for it. He is a third generation Schrup with Dubuque F. & M., as his grandfather, **Nicholas Schrup**, founded the company in 1883.

In 1946 C. J. Schrup was elevated to the Knighthood of St. Gregory by Pope Pius XII in a ceremony presided over by the Most Reverend Henry P. Rohlfman, archbishop of Dubuque. For many years he had been a member of the board of regents of Loras College.

Joseph Greenberg, independent broker of Chicago for 40 years, died of a heart attack at Los Angeles. His son Marvin, a junior partner, will continue the business.

E. L. Firmine, 63, who operated the Firmine agency at Duluth, died at his home. He had been in the business for 41 years.

His son, **Eugene R.**, who has been with the agency for several years, will operate the firm.

Bucholz Elected on Coast

S. H. Bucholz, Royal, is the new president of Pacific Coast Fire Loss Assn. Harold Sommers, Northwestern National, is vice-president; A. H. Bonstien, New York Underwriters, is secretary, and Elwood Goddard, St. Paul F. & M., is treasurer.

Clark Union Fire Treasurer

Bernard Clark, president of Havelock National Bank, Lincoln, Neb., since 1943, has sold his controlling interest and has been elected treasurer of Union Fire of Lincoln.

Move Into New Quarters

O. D. Hauschild, Inc., attorney-in-fact for Retail Lumbermen's Inter-insurance Exchange, have moved to their new offices at 5050 France avenue south, Minneapolis. The firm occupies the first floor of the two story building. An open house was held last week for policyholders in the area.

Arnold B. Derfield, who recently resigned as superintendent of agencies of General of Seattle, has purchased an interest in the local agency of A. J. Sullivan, Temple City, Cal.

Insurance Men Victimized by "Baltimore Agent"

THE NATIONAL UNDERWRITER learns that in recent weeks a number of insurance men in various parts of the country have been victimized by a man who claims to be connected with the "Warfield & Co." agency of Baltimore. Although Warfield is a very prominent name in that city, and the name Warfield is found in two or three agencies, the insurance directory shows that there is no agency that bears the name of Warfield alone. His technique is to drop in on the victim, say he was asked to call by some insurance man in another city, spin a yarn about who he is and discuss supposedly mutual friends in the insurance business. He states that he is on a motor trip and that his car broke down and he had to use up all of his cash for the repairs and would like a small loan to tide him over the weekend. He has used the name variously of Parks and of Gayle. The latest reports of his activities come from New Orleans. THE NATIONAL UNDERWRITER has heard of insurance men in Columbus and Chicago that have been clipped. He is described as being in his early 60's with gray hair, gray mustache and bad teeth.

If any reader has had any experience with this man, THE NATIONAL UNDERWRITER will be pleased to learn about it and will pass the information along to an agency that is investigating.

Brasted Insurance Agency has been organized at Wichita by A. R. Brasted and his son, Kenneth E., in connection with Mid-Kansas Federal Savings & Loan Assn. of which A. R. Brasted is president.

Convention Dates

Jan. 31-Feb. 2, H. & A. Underwriters Conference, midyear, Hotel Stevens, Chicago.

Feb. 23-25, Michigan agents, midyear, Book-Cadillac Hotel, Detroit.

March 14, Insurance Advertising Conference, spring meeting, Roosevelt Hotel, New York.

March 14-15, Eastern territorial conference of N.A.I.A., Lord Baltimore Hotel, Baltimore.

March 23-24, Midwest territorial conference of N.A.I.A., French Lick, Ind.

March 25-26, Southern territorial conference of N.A.I.A., Sheraton-Bon Air Hotel, Augusta, Ga.

April 1-2, Rocky Mountain territorial conference of N.A.I.A., Broadmoor Hotel, Colorado Springs.

April 7-9, Far West territorial conference of N.A.I.A., and midyear meeting of N.A.I.A. National Board of State Directors, Fairmont Hotel, San Francisco.

April 21-22, Minnesota agents, midyear, Radisson Hotel, Minneapolis.

April 27-29, Louisiana Agents, annual, Edgewater Gulf Hotel, Edgewater Park, Miss.

May 23-25, American Assn. of Managing General Agents, annual, Commodore Hotel, N. Y.

May 16-18, H. & A. Underwriters Conference, annual, Edgewater Beach Hotel, Chicago.

May 16-19, National Fire Protection Assn., annual, Fairmont Hotel, San Francisco.

May 20-21, Texas agents, annual, Houston.

May 23-25, National Assn. of Mutual Insurance Agents, midyear, Haddon Hall, Atlantic City.

May 26-27, American Management Assn., insurance conference, Hotel Statler, New York.

June 24-30, National Assn. of Insurance Commissioners, annual, Olympic Hotel, Seattle.

June 26-29, National Assn. of A. & H. Underwriters, annual, Hollenden Hotel, Cleveland.

Oct. 10-12, National Assn. of Mutual Insurance Agents, annual, Congress Hotel, Chicago.

Nov. 2-4, Connecticut agents, annual, Hotel Stratfield, Bridgeport.

Nov. 4-5, Nebraska agents, annual, Hotel Cornhusker, Lincoln.

Nov. 15-16, Kentucky agents, annual, Brown Hotel, Louisville.

Nov. 22-24, Indiana agents, annual, Claypool Hotel, Indianapolis.

Nov. 23-24, Wisconsin agents, annual, Hotel Schroeder, Milwaukee.

Dec. 6, Arkansas agents, midyear.

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Complete Federal Sickness Cover Bill Introduced

Plan May Have
Truman Blessing—State
Administration Provided

WASHINGTON—What are regarded as administration legislative proposals submitted or projected by a group of Senators and Rep. Dingell, Michigan, would not only include some 20 million more workers under OASI, but would increase the minimum monthly benefit to \$37.50 for man and wife and their maximum benefit to \$150.

According to a statement by its sponsors, the plan also "provides for liberalization of the formula upon which monthly benefits are computed by providing for 50% of the first \$75 of average wages instead of only 40% of \$50 of average wages as at present, and also providing for 15% of additional average wages instead of 10% as at present."

The wage basis of contributions and benefits would be raised from \$3,000 to \$4,800 a year. It is proposed to compute an individual's average wage for benefit purposes "on his best five years instead of his entire lifetime as at present"; also to reduce women's retirement age from 65 to 60 years. The amount of earnings a beneficiary could make without loss of OASI benefit would be increased from \$15 to \$40 per month.

A lump sum burial benefit is proposed equal to three months insurance benefits where a deceased person dies OASI-insured. Liberalized benefits for widows and orphans are proposed.

Disability Features of Bill

The disability features of the McGrath-Wagner-Murray-Dingell-etc. proposals include the following:

1. Provision for payment of benefit during temporary sickness (up to 26 weeks) and for extended disability (6 months or more).
2. All OASI-covered workers to be covered for short-term sick benefits and all employees and self-employed persons to be covered by extended liability.
3. Short-term benefits to be based on previous wages and number of dependents of the disabled person with a maximum of \$30 per single person and up to \$45 for a person with three or more dependents.
4. Benefits for extended liability to be computed "the same as those for OASI."

Health insurance, medical care and unemployment compensation provisions are also included in the proposed legislation.

In the Senate the bill is numbered S 5. Insofar as the sickness insurance portion is concerned, it calls for state administration in those states that enact integrated legislation. In other states the program would be federally administered.

GOV. WARREN'S PROGRAM

For the third time Gov. Warren of California is sponsoring a state health insurance legislative program. His bill calls for a 1% payroll tax on employers and 1% on employees. Then those who are sick enough to go to a hospital would have their hospital, doctor and

(CONTINUED ON PAGE 27)

Many Texas Questions Reviewed by Department

Insured and insurers in Texas alike should have an increasing interest in the continued use and refinement of a wage trend factor to measure the "sweetening" payroll in the determination of base rates for workmen's compensation, Paul Benbrook, casualty actuary of the Texas department, asserts in the annual report to the governor.

Although the overall experience indications have been exceeding the permissible loss ratio for the past several years the increase in "sweetening" payroll as measured by the wage trend factor calculations has not only offset the indicated increase but brought about a reduction as well, he declared. A wage trend factor was first injected into the Texas rate making formula in 1943; by the end of 1949 it is estimated that this factor will have reduced premium by some \$10 million. The wage trend factor is primarily for the purpose of measuring the change in "sweetening" payroll and any general decrease in wages in one or more of the four major industrial classifications would mean a decrease in the "sweetening" and consequently the wage trend factor would reverse and become an increasing factor.

Too Many Classifications?

At the public hearings, the argument has been advanced by local agents, company men and sometimes by employers that the Texas manual has too many classifications (about 650) and that the manual is cumbersome and difficult of application. Mr. Benbrook said the complaints have received careful consideration but few if any deletions could be found justified if various types of industry are to be grouped in accordance with their hazards. In fact, Mr. Benbrook says, the trend is to more classifications since requests are regularly received from various industry segments to have individual classifications erected. An illustration is the request for revision of the truckmen classifications. Truckmen operating under a certificate or permit from Texas railroad commission have been subject to two classifications: one applicable to the hauling of heavy and cumbersome commodities and a "catch-all" classification for all other. The proper and fair application of these two classifications has become increasingly difficult and as a result of several informal conferences with representatives of the trucking and insurance industry the two present classifications were revised and two new classifications erected in order to properly classify the hazards inherent in certificated trucking operations.

Oil Production Problems

The department faced two new problems in 1948, each having to do with oil production. Casualty Commissioner Gibbs declared. One is the proper rating in workmen's compensation of off-the-coast drilling which has hazards not contemplated nor experienced in dry land drilling, and further complicated by federal laws. Oil wells are being drilled in the Gulf of Mexico up to 50 miles off the coast of Texas, where there is danger of Gulf storms and where the transportation of crews is hazardous. "While this is a venture entirely new to Texas and one that presents problems of substantial magnitude to insurance carriers, it is a compliment to the insurance industry that it took the request for coverage in stride and the search for oil offshore has been going on at a rapid rate," Mr. Gibbs said.

The No. 2 headache was the entirely new set of problems in connection with the liability for underground damage

under general liability policies, as brought out by the case styled "Elliff vs. Texon Drilling Company" and in which the Texas supreme court decided in favor of the plaintiff early in 1948. In this case judgment was awarded for damages for loss of oil, gas, and distillate as a result of alleged negligence in the drilling of an oil well on adjoining land. Although the standard type of general liability policies do not exclude this type of hazard, nevertheless few, if any, claims have even been paid for loss of minerals or for underground damage as a result of the drilling of wells. Although the Elliff case is subject to a variety of interpretations, the insurance industry is fearful that this decision may bring on claims of a catastrophic nature as the result of possible negligence in the drilling of wells. Several public hearings and informal conferences have been held for the purpose of determining the best method of handling requests for underground coverage and the determination of reasonable rates for this hazard.

It is believed Texas automobile premium volume will exceed \$80 million for 1948; it was \$66,700,000 in 1947. Texas has no financial responsibility law and less than 20% of the private passenger cars are insured for B. I. and P. D.

Problem of Special Equipment

One of the big problems of the casualty insurance division is that of special equipment mounted on automobile chassis of various kinds or mounted on wheels and motorized in various ways. The trend toward motorization of varied types of equipment for convenient removal from one location to another is receiving impetus from the tendency of contractors to specialize in everything from bug killing to drilling oil wells. Often the value of the special equipment far exceeds that of the chassis and coverage is being required in amounts never dreamed of in connection with automobiles. Special equipment ranging in value from \$50,000 to \$250,000 exists today. Much of the very valuable equipment is employed in the oil industry.

Bankers Blanket Bonds

The casualty insurance division has revised and approved for use the bankers blanket bond experience rating plan, according to Mr. Benbrook. All banks now having less than the maximum experience credit will have an increased credit, and many more banks will now be eligible for the maximum credit. The improvements in credit standing are made available by an improved and clarified method of discounting prior losses, particularly to the extent that a single large loss will not produce a drastic change in credit. Heretofore, only the largest single loss during the experience period was discounted for the computation of experience credit, but under the new plan, the largest single loss is discounted 50% and may in no event be considered for experience rating purposes at an amount greater than 50% of the total premium paid during the five year experience period. Such largest single loss may not affect the experience credit for a greater period than three years under the present plan, and all losses other than the largest single loss during the period, are now discounted 35%.

During 1945, prior to the insurance department taking over control of bonds in Texas, many three-year bonds were written. These policies have now run

(CONTINUED ON PAGE 27)

N.A.I.C. Action Leaves Confusion in A. & H. Field

Follmann Reviews Situation in Address Before
Chicago Association

A comprehensive review of the action taken by National Assn. of Insurance Commissioners affecting A. & H. insurance was given by J. F. Follmann, Jr., manager of Bureau of A. & H. Underwriters, at the January meeting Tuesday of Chicago A. & H. Assn. He especially deplored the indefinite situation in which the new standard provisions law was left. There has been for some time a state of confusion because of the uncertainty as to what the commissioners would do regarding pending matters. This has deterred the writing of new coverages and changes in existing forms. He said the business is entitled to a settling down period, which it apparently will not get until the situation is clarified further.



J. F. Follmann, Jr.

Mr. Follmann's discussion was directed mainly to the standard provisions law and the statement of principles. He reviewed the two years' work on the former, the effort toward greater flexibility through making it an "in substance" law and the additional provisions included for the greater protection of policyholders, all of which had received the approval of both the commissioners and the industry.

Three Important Changes

As finally approved by the commissioners, however, in addition to the qualification that it should be subject to further consideration, resulting in the uncertainty and confusion already cited, there were three important differences from the draft which had been accepted by the industry. There was a requirement for dual approval where the law has been enacted by a company's domiciliary state but not in a state where it desires to issue policies. An additional limitation was placed on the use of waiver riders, which will leave the companies in many cases no alternative except to cancel and issue a new policy, and the requirement for bold face type in certain provisions, which had been deleted by the joint committee, was restored in the final draft.

The industry is not so much concerned with the latter point, but regards the other two as extremely vital. At a conference with Chairman Knowlton of the commissioners' A. & H. committee following the New York meeting, he agreed to send out to all of the commissioners a statement of the changes the companies desired to have made, but sufficient time has not elapsed as yet to get their reactions.

Mr. Follmann also reviewed in some detail the statement of principles and the minimum benefit proposals which led to its preparation. He regards it as a very valuable contribution to the regulatory pattern.

Joseph Byrnes, Employers Liability, vice-president of the Chicago association and chairman of the sales congress com-

(CONTINUED ON PAGE 27)

Auto Assigned Risk Record for 19 States

NEW YORK—National Bureau of Casualty Underwriters has prepared a compilation of the experience on automobile assigned risks for 19 states where experience is available. The plans are in operation in 41 states, but many have not been in effect long enough for developed experience to be reported.

In view of the questions so frequently

asked about underwriting results on assigned risks, particularly with reference to application of surcharges, the high loss ratios shown below are quite revealing.

The results here are for all companies combined. Where the period is more than one year, the time is inclusive.

State	Policy Year	Bodily Injury			Property Damage		
		Earned Premium	Incurred Losses*	Loss Ratio	Earned Premium	Incurred Losses	Loss Ratio
California	1942-46	232,367	162,212	.702	112,970	58,725	.520
Colorado	1946	2,043	.....	.....	1,476	.....	.....
Connecticut	1941-46	103,628	113,063	1.091	30,293	23,217	.766
Illinois	1941-46	41,995	17,228	.410	21,547	11,279	.523
Indiana	1946	3,959	469	.118	2,686	2,444	.909
Maine	1941-46	27,907	23,549	.844	12,443	7,261	.584
Michigan	1946	7,638	13,072	1.711	4,654	2,954	.635
Minnesota	1943-46	122,755	116,563	.950	57,701	35,109	.608
New Hampshire	1935-46	99,469	71,093	.715	26,057	17,698	.679
New Jersey	1941-46	83,701	81,143	.969	33,483	30,302	.905
New York	1941-46	378,035	359,374	.951	137,854	123,951	.899
Oregon	1946	62,558	34,170	.546	34,998	28,091	.803
Pennsylvania	1942-46	1,221	1,160	.950	674	39	.058
Utah	1946	990	.....	.....	610	.....	.....
Vermont	1941-46	17,652	14,934	.846	9,694	2,093	.319
Virginia	1941-46	85,869	66,485	.774	23,151	16,237	.702
Washington	1941-46	174,554	102,581	.588	82,993	56,517	.681
Wisconsin	1946	32,188	37,003	1.150	15,766	11,077	.895
TOTAL	1935-46	1,478,551	1,215,099	.822	627,053	429,004	.684
Massachusetts	1940	319,027	439,133	1.376	.....	.....	.....
	1941	382,548	580,559	1.518	.....	.....	.....
	1947†	388,000	537,984	1.386	.....	.....	.....
Total†		1,089,575	1,557,676	1.430	.....	.....	.....

*Including allocated claim adjustment expenses.

†Private passenger cars only.

‡Data for policy years 1942-1946 are not available.

Comments on School Bus Insurance Situation in Ill.

N. E. Hutson, assistant superintendent in charge of legal matters for the Illinois office of public instruction, has written THE NATIONAL UNDERWRITER concerning his letter to an Illinois high school principal in which he stated that a school board has no power to pay out funds "for injuries caused pupils or the public by the operation of buses, by virtue of accidents caused by faulty bleachers on the athletic field, or by virtue of cars used in driver-training courses."

Mr. Hutson comments that "as far as the right to insure pupils riding buses is concerned, I have always felt that the driver of a school bus should be required to carry such insurance. However, it seems that the general law applies to that situation also and that the school board itself is not responsible for accidents to pupils which occur by reason of their being passengers on a school bus. I feel that the board may impose upon the driver of the bus the condition that he carry adequate insurance."

If the bus driver or operator is forced to take out insurance, he will pay a higher rate. It is understood National Bureau of Casualty Underwriters is considering for Illinois a special rate for operators who conduct school bus operations exclusively whereby they could obtain insurance at the school board rate.

While Mr. Hutson's letter has not affected the companies to any extent as yet, one company reports that it received a request for insurance for school bus liability insurance and the school board requested that its name be omitted entirely from the policy and the operator be the named assured.

Although Mr. Hutson has somewhat clarified his stand on the school bus question, there still remains doubt as to what should be done in the case of accidents caused by faulty bleachers, cars in driver-training courses, or bus fleets owned and operated by the school board.

Providence Washington and Anchor have appointed George S. Kausler, New Orleans, as general agent for inland and ocean marine business in Louisiana and Mississippi.

First TDB Test May Come In Wisconsin Legislature

There are indications that the Wisconsin legislature may be the scene of the first test this year of state compulsory disability legislation. Certain members of the legislature have heard the views of both industry and labor and it is expected that at least one compulsory disability bill will be introduced within the next month. Opinion in the state seems to be that such a bill will get fast and probably favorable action. It is known that at least one legislator has plans for introducing an all-company bill which would not provide for a state fund. This might have a fair chance at passage despite the opposition of labor which may be mollified in some other manner. Insurance observers while cautious, discount the possibility of Rhode Island type legislation and think that, at the worst, Wisconsin will get a New Jersey style bill.

In Illinois, it is understood that a Republican state senator will introduce a New Jersey type bill soon. In Illinois as in most states, there is a strong possibility that more than one bill will be introduced and labor is expected to push for a Rhode Island type measure. The chances for a conservative bill are good in Illinois, because, though the house is Democratic the Republican senate should be a conservative leavening influence.

The eyes of all state legislators will be on Washington following the progress of the administration's platform to tie compulsory disability and health insurance in with social security on a national basis.

State legislatures, by their very nature are strong for state insurance. The threat of federal action may exert a powerful influence in getting state measures passed to weaken arguments for federal health cover.

Sentiment for TDB plans and preference for type of the plans does not necessarily follow party lines. Insurance interests are exerting some influence on legislatures in the matter. Many companies have adopted a neutral attitude but a growing number seem to favor giving positive support to all-company or company-state fund plans.

Henry R. Griffendorff, Benton Harbor, Mich. local agent, has purchased the business of the Roscoe D. Krieger agency.

Brief N. Y. Brokers on New Plans

NEW YORK—Approximately 350 brokers and their office personnel, a few from out of town, attended the discussion of the new rating plans in New York, sponsored by Insurance Brokers Assn. of New York in the National Board rooms. Plan D, retrospective workmen's compensation and the premium discount plan for automobile and general liability were approved by the department for use beginning Jan. 1 and the premium discount plan is now mandatory.

Seymour E. Smith, assistant secretary of Travelers, Hartford; Francis Perryman, Royal-Eagle-Globe, and Harry Williams, Hartford Accident, were on the panel to answer questions after James A. Cahill, secretary National Bureau of Casualty Underwriters, formally discussed the rating plans.

Brokerage offices currently are burdened with work to get the premium discount plan applied. It is necessary to have common expiration dates on the policies for the discount to apply. Yet the brokers don't want the policies all expiring Jan. 1. They don't have the personnel to handle such a bulge of work, and the companies, of course, don't like it at year end period when they already are heavily burdened. The policies have to be canceled and re-written as the year goes along to get a common expiration rate satisfactory to insured and the broker.

UAW Gives Top Priority To Pension, Health Plans

Walter P. Reuther, president of CIO United Auto Workers, has served notice that in fourth-round bargaining, his union will elevate pension and medical care demands from the "fringe" category to the top of the agenda. Insurance demands will overshadow call for a wage increase of about 15 cents an hour.

Mr. Reuther noted in a letter to locals that some contracts limit 1949 negotiations to wages and recommended that in such case union locals boost demands high enough to offset the cost of health and pension plans if management refuses to discuss these issues.

Ford is expected to be the first major manufacturer to get this fourth-round demand. The Ford contract runs to July 15, but negotiations can get under way 60 days before that. The Chrysler Corporation's contract extends to August, 1950, but may be reopened for wage talks once after June 15, and will probably be held off until the Ford issue is settled. A two year automatic cost of living pact signed last May frees General Motors from contract discussions this year.

Project New Home Office

The projected new home office building of Great American Reserve at Olive and Live Oak, Dallas, is to be a four story modernistic building with ultimate plans for additions to 12 stories.

The exterior will be finished in light-faced brick with spacious glass windows and display areas on the ground floor. The entrance will be on Live Oak. With the exception of the second floor, which will be glassed on the north and east sides, the remaining floors will be modernistically windowed on the east side only. The building will have special interior lighting and air-conditioned ventilation.

There will be 40,000 feet of space. There will be no basement and maintenance equipment will be housed on the roof.

W. L. Leonard, who retired several years ago as assistant western manager of Fireman's Fund, suffered a stroke at Evanston, Ill., Tuesday and is in the hospital.

Four Ascend to Higher Am. Surety Official Posts

American Surety has elected Robert B. Hamilton, vice-president since 1933, as vice-president and general counsel to succeed George R. Crosby, who is retiring.

F. Warren Bull, manager of contract bonds; George F. Ainslie, Jr., manager of agency and production; Albert H. Russell, manager of probate and miscellaneous bonds, and Franklin A. Seiler, manager of casualty department, have been elected vice-presidents.

Mr. Hamilton, graduate of Transylvania University, Lexington, Ky., 1903, and of Harvard law school, 1906, joined American Surety in 1909. He was made manager of the court and probate bond department in 1925.

Mr. Bull joined the accounting department in 1914, became premium auditor, served in production and underwriting and was made manager of contract bonds in 1928.

Mr. Ainslie succeeds to the post made vacant by the retirement in 1947 of Dudley H. Cook. He had been manager of the department since 1944, having previously served as agency supervisor since 1938. He was formerly manager of the Columbus, O. branch where he joined the company in 1917. Mr. Ainslie is a former president of Ohio Assn. of Casualty & Surety Managers.

Mr. Russell, graduate of New York University law school, went with American Surety's metropolitan branch in 1925. He became assistant manager in 1932 and manager in 1934.

Mr. Seiler entered the company's claim division in 1925, served in the burglary and glass and automobile departments; in 1932 became assistant automobile manager and in 1933 manager. He was made casualty manager in 1945 after consolidation of the auto and compensation and liability departments. He is a former president of Automobile Underwriters Assn. of New York, and is a member of the automobile rating committee and the policy and policy forms committees of National Bureau of Casualty Underwriters.

Bus Problems Indicated

Some of the problems of bus insurance are brought out in relief in the examination of Transit Casualty of St. Louis by Missouri, California and Michigan.

This insurer is controlled by National City Lines, the Chicago holding company.

St. Louis Public Service Co., which is a subsidiary of National City System, has paid Transit Casualty \$9,534,432 in premiums from June 1, 1945 to Dec. 31, 1948 and during that period Transit has paid out \$6,057,369 on claims of this assured and has loss reserves of \$1,801,086. On the basis of losses paid, reserves, claim and operating expenses and reinsurance cost, Transit Casualty has had an aggregate book loss on this insurance of \$139,120.

For the first nine months of 1948, total premiums of Transit Casualty were \$4,789,458 and losses paid were \$3,087,462.

St. Louis Public Service pays \$9.50 per \$100 of passenger revenue for B.I., P.D. and workmen's compensation insurance.

N. Y. Claim Men Gather

NEW YORK—More than 400 turned out here for the annual dinner and entertainment of New York Claim Assn. S. Chandler Fraser, Lumbermen's Mutual Casualty, was installed as president for 1949 as were the other officers announced earlier, John P. Kenneally, claims manager for New Amsterdam Casualty in New York, was the retiring president.

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F. & D. Annual Report Is Record of Bountiful Year

BALTIMORE—Fidelity & Deposit, in its new annual report, records gross premium writings of \$24,090,842, representing an increase of 41.4% over 1947. This was the largest volume of any year in history. President Frank A. Bach said the increase was due largely to the fact that a large number of fidelity risks, which were written on a three-year term basis for the first time in 1945, were renewed for a similar period in 1948; also to the fact that the contract bond writings showed a substantial increase.

Net premium income amounted to \$18,053,902, an increase of 27.8%. Earned premiums totaled \$15,039,825, or 11.6% above 1947.

Losses incurred were \$3,517,707, or 36.7% of earned premiums, an increase of \$978,103 over 1947. Cash salvage collections were \$626,402, or 4.2%.

Gain from underwriting before federal taxes was \$1,336,813, representing a decrease of \$512,915. Net investment income was \$864,483, compared with \$951,641 in 1947.

The net profit, after providing a reserve of \$646,000 for federal income taxes and various other reserve adjustments, amounted to \$1,491,531, or \$12.43 per share, compared with \$12.26 per share in 1947.

There was added \$771,531 to surplus, increasing that item to \$14,053,280.

Assets were \$44,274,999, of which amount \$6,621,398 was cash. Bonds and stocks are carried at \$32,516,993, and of these 83.3% are in bonds which include U. S. government issues of \$26,635,700.

Contending that the fidelity surety industry is entitled to fair, adequate and reasonable, but not excessive, rates, Mr. Bach pointed out that prevailing rates are for the most part considerably below those charged in 1941, while at the same time many of the coverages have been materially broadened in scope. As a result, he stated, the public has been given the benefit of the industry's abnormally low loss experience during the past few years, not only in reduced rates, but in broader coverage. He said that he knew of no other important industry and no other segment of the insurance business that in these days of high costs were selling their products or services to the public for less than 1941 prices.

Minn. Assigned Risk Change

MINNEAPOLIS—Effective Jan. 1 several changes were made in the handling of the Minnesota auto assigned risk plan. Letters of declination are no longer necessary. Agents will complete the application in duplicate and mail direct to the assigned risk plan.

An investigation fee of \$5 per car subject to a maximum of \$50 per risk shall accompany the application. The investigation fee will be credited against the premium if the risk is assigned and accepted and the applicant pays the balance of the premium in accordance with the plan.

Risks are assigned for a period of three consecutive years. If the risk is unable to obtain insurance at the end of three years, reapplication for coverage can be made. The penalty surcharges have been changed and there have been some changes in the eligibility requirements.

Debold Promoted at Newark

Glens Falls Indemnity has appointed Thomas J. Debold assistant manager at Newark.

Mr. Debold entered the insurance business in 1926. After 16 years in inspection and underwriting work, he joined Glens Falls Indemnity in 1942 in the underwriting department at Newark. He was later made supervising underwriter.

Holdup Query Leads to Discovery of Embezzlement

A federal grand jury has indicted A. R. Dennis, former assistant treasurer of Ramapo Trust Co., Spring Valley, N. Y., for embezzlement of \$10,000. Discovery of the defalcation came about in an interesting way. Last June R. R. DePackh was sentenced to six years for attempted holdup of First National Bank of Grace, Idaho. In the investigation that followed the attempted holdup the authorities were led to the Spring Valley bank and the indictment of Dennis.

Dennis and DePackh formerly worked side by side at the Ramapo bank and it was then that the embezzlement occurred. DePackh joined the marines, and while he was in service Dennis concealed the shortage. When DePackh was discharged he suggested to Dennis that they hold up the Ramapo bank, but Dennis declined. DePackh got a job as assistant bank examiner out of Salt Lake City and attempted to hold up the Idaho bank.

Citizens in Auto Cover Plea

MILWAUKEE—The mayor's advisory council of citizens in Milwaukee has

advised the Wisconsin legislative council that companies writing auto business have been aided by the Wisconsin financial responsibility law. It recommended that the insurance department be asked to study ways and means of providing a method of rate regulation that will reward the cautious automobile owner, who has a good safety and loss record, with reduced premium.

Michigan Mutual Liability has moved its Chicago office from the Insurance Exchange building to 309 West Jackson. The phone number has been changed to Wabash 2-2315.

49-59-0

This is a business-winning combination.

It opens the door to easier sales...and 9,500 F&D agents know it. Here's what it stands for:

- 49**—the number of F&D field offices spotted throughout the country, each staffed with practical men whose sole assignment is to help agents and brokers build business.
- 59**—the number of years during which F&D has specialized in fidelity and surety bonds: over half a century of constant growth to the point where, today, F&D handles a larger gross volume of fidelity and surety business than any other company in the entire industry.

- 0**—the number of obligations which F&D has failed to settle promptly and fully, good times or bad...



FIDELITY AND SURETY BONDS
BURGLARY, AND OTHER NEEDED
FORMS OF INSURANCE

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

Insurer Liable for Assault by Cab Driver

Colonial Ins. Co. has been held liable by the California district court of appeal for the claim of a taxicab passenger who alleged he was assaulted by the driver. The case is *Connell vs. Clark et al.*

Henry Clark was operator of Garden Cab Co. The plaintiff charges that he was driven to a lonely spot, dragged from the cab, beaten and robbed by a driver that he identified as being Milton Bryant and by an unidentified sailor

that he said was riding with Bryant in the cab. Bryant denied that he picked up Clark or assaulted him but the jury accepted the plaintiff's story.

Colonial contended that even if Clark is held liable, the insurer is free from liability both under the Los Angeles ordinance and under its policy. The court rejected Colonial's contention that the ordinance refers only to injuries resulting from traffic accidents. The ordinance requires insurance against any loss or damage that may result from the operation of any taxicab. Plaintiff was a passenger for hire and didn't

cease to be when he was dragged out of the cab.

Colonial maintained that its policy is limited to negligent and accidental injuries and that injuries which are incurred after the passenger had alighted as well as injuries caused by riots are excluded. This contention the court dismissed since the only reason plaintiff had alighted was because the driver had forcibly taken him out of the cab and this for the convenience of the driver.

The court said that the theory advanced by Colonial that the assault and battery by the joint actions of the driver and the sailor constituted a riot is "both novel and quixotic."

ciety and the women's auxiliary. He said President Truman's proposal for compulsory health insurance would be the opening wedge in the socialization of the medical and other professions, "and as such is not in the public interest."

White Opens Own Agency

John B. White has opened his own local agency in Trust Co. of Georgia building, Atlanta, representing Pacific National Fire, Glens Falls, Central Surety, Fidelity & Casualty and Georgia Casualty & Surety. For the past three years he has been Georgia state manager for Central Surety.

Arrest N. Y. Bank Teller

A 24 year old teller at the Columbus Circle branch of Chemical Bank & Trust Co., New York, has been arrested by FBI, on a charge of having embezzled \$16,000 over a period of seven years. Hartford Accident is on the risk.

Md. Casualty Promotions

W. C. Carroll and J. W. Fitzpatrick have been appointed assistant managers of the compensation and liability department of Maryland Casualty. They have been underwriters in the department and associated with it for many years, Mr. Carroll for 24 years and Mr. Fitzpatrick for 29.

Trenbath Visiting Ponds

E. W. Trenbath, most loyal grand gander of Blue Goose, left Seattle Jan. 14 on a two week trip east. He made his first stop at Chicago where he conferred with Illinois pond officials on Jan. 17.

Mr. Trenbath was a guest at the mid-winter meeting of the Michigan pond in Detroit Jan. 19 and also attended a meeting of the Grand Nest executive committee there before leaving for Philadelphia. He will address the Penn pond at Philadelphia Jan. 24 and will be guest at the New York city pond at an evening meeting Jan. 26. Returning to the Pacific Northwest, he will stop off at St. Louis, where he will attend a pond meeting on Jan. 31.

Fire Assn. Names Schwab

Fred A. Schwab has been named special agent in southern California for Fire Association. Mr. Schwab has had 23 years' experience in the Pacific Coast territory, most recently with Potomac. His new headquarters will be at 548 South Spring street, Los Angeles.

Correct Mutual Forum Dates

The auto and general casualty underwriting meeting of Conference of Mutual Casualty Companies will be March 17-18 at the Stevens hotel, Chicago, instead of March 2 as announced in the Dec. 30 issue of THE NATIONAL UNDERWRITER. The claims meeting on auto and general casualty will be Nov. 17-18 at the Stevens, instead of Nov. 17 only.

Neb. Against U. S. Action

LINCOLN — The Nebraska legislature this week adopted unanimously a resolution to be forwarded to both houses of Congress, declaring its opposition to any form of governmental prepaid health insurance.

A. & H. Lectures at Seattle

Fireman's Fund Indemnity is staging a series of lectures on A. & H. insurance at the Seattle office. One lecture will be devoted to fundamentals of A. & H. underwriting, intended for beginners, while the others will serve as a refresher course for those having some experience in the business.

Frank E. Jones, 88, Brandon, Wis., for 35 years secretary of Ripon Farmers Mutual Fire and a trustee for 56 years has been succeeded by F. W. Schlueter, Ripon.

Lausche for W. C. Raises

COLUMBUS—In his message this week to the legislature, Governor Lausche recommended increasing maximum benefits to injured workers from \$25 to \$29 a week, "reasonable" increases to dependents of workers killed in occupational accidents and "just benefits" to workers afflicted with silicosis.

He also proposed that a joint legislative committee be appointed to study extension of unemployment insurance to compensate workers in part for income lost due to disability or sickness, not connected with their work. He also would increase old age pensions, and favored a survey of the tax structure of the state.

Must Watch Legislation

San Antonio Assn. of A. & H. Underwriters heard an urgent appeal from President O. D. Harlan of the Texas association to inform themselves concerning proposed legislation which will affect their business.

William Bacon, Occidental Life, stressed that the accident and health business must stand or fall on the service rendered the public and emphasized the importance of prompt payment of claims.

It was announced that the San Antonio association will participate in the Trinity University open forum, a radio program, Jan. 18, when socialized medicine will be the subject of discussion.

Asks Construction Cost Cut

ST. PAUL—A plea to make every effort to bring down the cost of construction was made by Martin Lewis, general manager of Surety Assn. of America, in an address at the annual meeting of the Associated General Contractors of Minnesota here. "It is not easy to bring down building costs because every contractor must pay standard wages and meet the material prices," Mr. Lewis said. "But every element in the industry ought to attempt cost reductions."

Mr. Lewis said the surety industry has made its own contribution to lower building costs by cutting its premium rates.

Mr. Lewis also addressed Surety Assn. of Minnesota Jan. 14.

Joint Meeting at Lansing

LANSING, MICH. — E. F. Gregory, Denver, president National Assn. of A. & H. Underwriters, and C. B. Stumpf, Madison, first vice-president, addressed a joint meeting of the newly formed Lansing A. & H. Underwriters Assn. and Lansing Life Underwriters Assn.

Mr. Gregory listed seven "keys" to closing. Mr. Stumpf cited a house committee report branding as a Communist line endeavor, dissemination of propaganda in behalf of federal compulsory health insurance.

Doctor Is Utah Speaker

SALT LAKE CITY—The January meeting of Utah A. & H. Club was addressed by Dr. W. A. Tibbals, executive secretary of Utah State Medical Assn. There was a large turnout of members and guests, among the latter being members of Salt Lake County Medical So-

WARNING!

Embezzlements
point toward a new high
this year

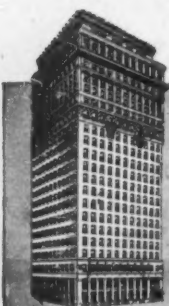
The rising trend in spectacular embezzlements continued during 1948. Some exceeded half a million dollars!

Concealment for many years featured several of these large shortages. And the record shows that in almost any organization it is surprisingly easy to hide such defaults.

No employer need fear long-hidden shortages if he has the protection of our modern DISCOVERY BOND. This bond reimburses for losses discovered while the bond is in force, regardless of when the bonded employee began to embezzle!

Here's How You Can Help—

1. Arrange to survey dishonesty hazards of employers. Our specialists will be glad to assist, upon your request.
2. Emphasize the growing importance of proper protection because shortages are increasing in size.
3. Call attention to our Loss Prevention Service which costs employers nothing when they purchase our bonds.
4. Write our Agency & Production Department for a free copy of our January "Mailroad to Profits" which is devoted especially to showing agents how to protect employers.



AMERICAN SURETY GROUP

AMERICAN SURETY COMPANY
NEW YORK CASUALTY COMPANY
SURETY FIRE INSURANCE COMPANY
Casualty • Surety • Automobile • Inland Marine

100 Broadway, New York 5, N. Y.

N. A. Capi

North increased to \$500,000, a considerable growth, 1948. The company and several years previous more than

Contract Cover

WASHINGTON—recently in partnership tract cost respect to of the amount that proved such item "consequence" would not tractor, v regulation issuance.

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LANSING Forbes has rates by th (Blue Cros The com new rates,

N. A. L. & C. Boosts Capital \$250,000

North American Life & Casualty has increased its capital stock from \$250,000 to \$500,000. This was considered desirable in view of the company's rapid growth, particularly in recent years.

The company is licensed in 31 states and several provinces. In the last 10 years premium income has increased more than tenfold.

Contract Cost Principles Cover Insurance Features

WASHINGTON—In connection with recently-issued National Defense Department regulations setting forth contract cost principles to apply with respect to supply and research contracts of the armed services, it is understood that provisions declaring in effect that such items as use and occupancy and "consequential" insurance on profits would not be reimbursable to the contractor, were stricken from the draft regulation before its final approval and issuance.

On the other hand, it is stated, such items as insurance on contractors' property that he ordinarily carries—fire, casualty, etc.—and workmen's compensation, will be reimbursable to the contractor on a pro rata basis, where government contract work and private work is intermingled in a plant, for example.

The regulation also sets forth principles of cost allowance and disallowance under armed services contracts for construction. Allowed are "bonds and insurance, including self-insurance, to the extent authorized by the contracting officer," but unallowable costs under such contracts include pension, retirement, group health, accident and life plans.

In general, the regulation relates to cost-plus contracts. However, the statements of contract cost principles contained in the regulation, including the listing of allowance and disallowance of various insurance items, applies in the case of lump sum contracts where there is renegotiation and relief is sought by the contractor due to important changes in the economic situation at a later date, compared to the time contract was entered into.

E. A. Smith to Loyalty

Edmund A. Smith has been named supervisor of the New York City A. & H. department of Metropolitan and Commercial Casualty. In 1937 he joined Travelers as investigator in the New York City life and accident claim department, and was made an assistant adjuster in 1943. In 1948 he joined the Sullivan agency of Fidelity Mutual Life, New York, as supervisor.

In 1947 he was president of Accident & Health Club of New York. For seven years he was acting mayor and councilman of the borough of Garwood, N. J. He succeeds Francis T. Curran, now supervisor of the temporary disability benefits division of Loyalty group in the home office.

Century Indemnity Changes

Emery P. Worthen has been named special agent in Maine for Century Indemnity replacing Edward L. Butler, Jr., who has entered the local agency business. Mr. Worthen has been with Century Indemnity at Boston.

Charles E. Stockbridge has joined the bond department of Century at Boston. He has been with Accident & Casualty.

Mich. Blue Cross Rates Up

LANSING, MICH.—Commissioner Forbes has approved a 12% increase in rates by the Michigan Hospital Service (Blue Cross), effective March 1.

The commissioner estimated that the new rates, based on the present 1½

million subscribers in the service, would bring in approximately \$2,600,000 additional annually in revenues. Family coverage is increased \$7.20 yearly and that of an unmarried subscriber \$3.60.

Due to increasing cost of operating hospitals, Commissioner Forbes said he had urged an increase in rates last August but there had been some delay on the part of Blue Cross officials in deciding what course to pursue. He said the last 11 months' experience had eaten up the Michigan organization's surplus of some \$1 million and was beginning to nibble at reserves.

Claim Men Fix Dates

The 40th annual meeting of International Claim Assn. will be held at Hotel Sagamore, Bolton Landing, Lake George, N. Y., Sept. 18-21.

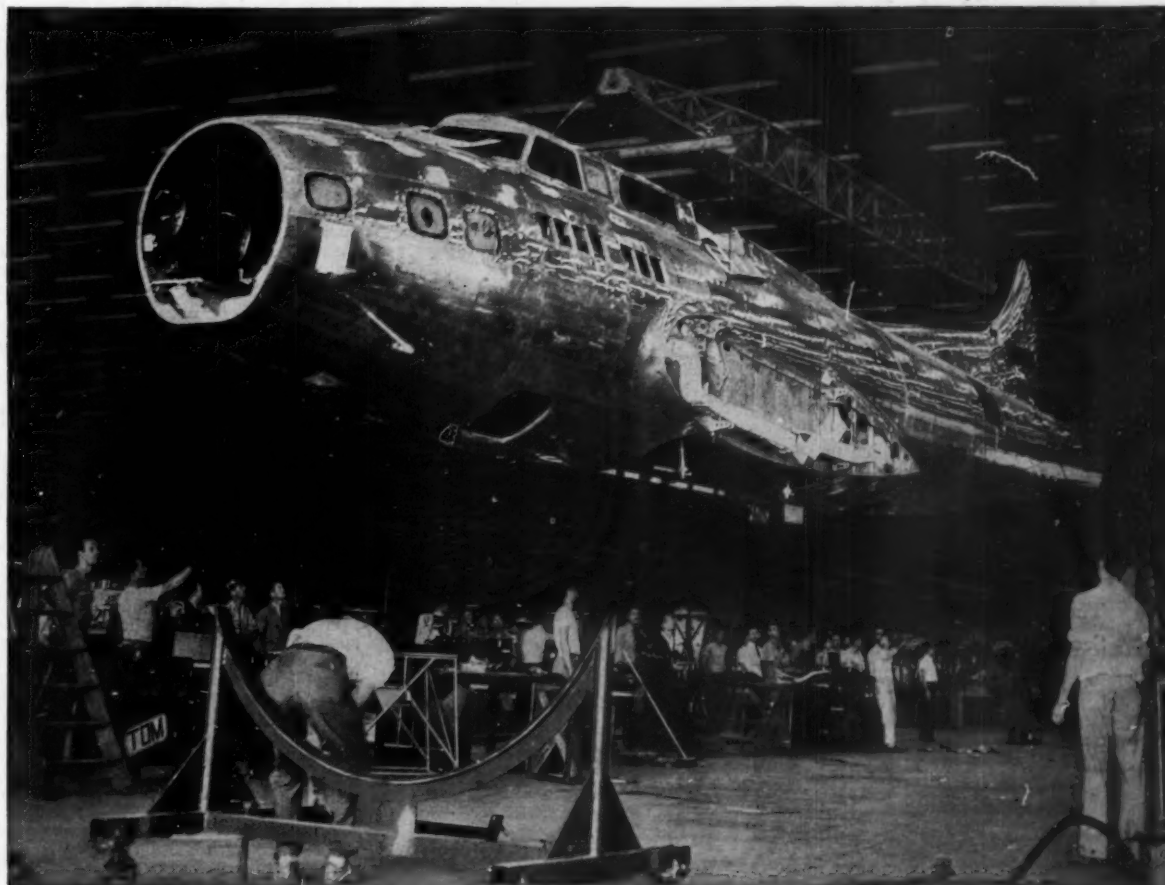
Program chairman is Francis X. Reilly, assistant secretary Guardian Life.

Other committee chairmen are: Entertainment, L. L. Phelps, Great Northern Life; transportation, John McAlexander, Bankers National; auditing, D. B. Andrews, Mutual Benefit; hotel, Edwin Linthicum, Jr., Travelers; law, M. H.

Rieke, Minneapolis Commercial Men's group, R. T. Heller, Prudential; personal A. & H., L. E. Carter, General Accident; life, W. E. Trout, Penn Mutual; medical conference, A. G. Fanihauser, Continental Casualty; lay adjusters, H. S. Don Carlos, Travelers; public relations, E. J. Bohne, Equitable Society.

Charles P. McGaha of Wichita Falls president of Wichita Falls City National Bank, has been elected to the board of Southwestern Fire & Casualty.

If Disaster Strikes-



Reinsurance lessens the shock. Cut back to insignificant size by post-war apathy, America's production of aircraft for preparedness, commercial transportation and private flying has once more become a vital factor in the nation's economy.

In this operation, with its inherent hazards of disastrous accidents and resulting shut-downs, carefully planned reinsurance has a useful role.

Let our experience serve your own clients, in every field of industry, by providing ample protection through reinsurance.

EXCESS

INSURANCE COMPANY OF AMERICA

99 JOHN ST., NEW YORK 7, N. Y.

6 EAST 11th ST., KANSAS CITY 6, MO.

CASUALTY, FIDELITY AND SURETY REINSURANCE

Decline in Some Values Is Relieving Pressure

(CONTINUED FROM PAGE 1)

of a tussle and with well directed strategy, gives the true salesman a great deal of satisfaction over and beyond the money rewards involved. A good deal of the inside work that has descended upon agencies in recent years has been particularly harassing to the outdoor contact type of man.

The decline in insurable values on many fronts coincides with an improve-

ment in loss experience in various lines. Automobile insurance, for instance, again seems to be entering upon a competitive era. The rate reduction program of State Farm Mutual Automobile, running up as high as 35%, is one such signal. The aggressive campaign that Allstate of Sears, Roebuck & Co. is conducting is another. Such companies are measuring their results day by day, week by week and month by month in extremely close, realistic fashion and apparently they will move fast when they are convinced that a new trend has set in. This may work to the disadvantage

of agents and agency companies that are not able to act with such dispatch. The public is shopping these days in all its purchases and there is no reason to believe that motorists will not look for cost advantages, especially now that with rate increases the outlay for automobile insurance has become very considerable. It is a common experience to hear even insurance men whistle when they discover what their automobile insurance is costing them upon renewal, or when they get a new car, where collision insurance is taken.

Physical Damage Best

By far the most dramatic improvement in the automobile experience has come in the physical damage line. As 1948 wore on it became evident that this line which had been written off by many not more than a year or so earlier as one that could never be expected to return a profit, was actually the best bet for 1948. Automobile, department executives who had been going around

with hangdog expressions, got their shoes shined and again mingled with others in the company as equals, if not as superiors. The main factor in the improvement, some say, is the fact that the auto repair business has again become competitive. Today it is no trick to get bids on repair jobs, whereas not so long ago this was impossible. As a matter of fact, the sorriest companies were those that rely almost entirely on the tried and true basic lines of fire and extended coverage. These companies had no fat to put on their bones and they looked enviously at those companies that had a large automobile business, hail business, farm business and marine.

Automobile insurance for almost anyone in any part of the country will run over \$100. During the past few years agents rarely if ever heard a customer balk at the premium cost, but now some customers are taking a walk and are not coming back. Presumably they are going to the 10 off market or perhaps dropping the insurance altogether.

HAWKEYE · SECURITY · TWO OF THE FINEST



DO YOU BELIEVE That Pigs Can't Swim?

Even experts have always maintained that pigs couldn't swim, but recent tests have proven that this opinion is wrong. Pigs can swim.

....ANOTHER TRUTH....

.... which every Hawkeye-Security agent knows is that these companies not only provide full Casualty and Fire Coverage but they lend him every kind of service that will build sales.

Hawkeye-Security service to agents is complete and consistent. There is no red tape to hamper agents... claims are paid promptly and efficiently... every possible sales help is provided including dependable Field Representative service.

These are just a few of the reasons why "the trend is to Hawkeye-Security."

HAWKEYE CASUALTY CO.
SECURITY FIRE INS. CO.

Des Moines, Iowa

HAWKEYE · SECURITY · TWO OF THE FINEST

1886—OVER A HALF CENTURY OF SERVICE—1949

The North American Accident Insurance Co.

209 So. LaSalle St., Chicago, Illinois

We write every practical form of Life, Accident, Health, Hospitalization and Medical Expense Insurance.

District Managers and Representatives WANTED

Geo. F. Manzelmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

Store Insurance Problems Aired

(CONTINUED FROM PAGE 1)

sided and often insatiable, which may be due to the ignorance of the landlord's lawyers as to insurance. But it takes two to make a bargain, and no tenant should hesitate to withhold his signature until the insurance provisions are made complete and rational.

Such lease may obligate tenants to repair or replace the building at their own expense, though the insurance bought by the landlord may be insufficient, and there may be mortgagee in the picture unwilling to turn loose of such funds for replacement. The store insurance buyer must also watch for ordinances regulating reconstruction; clauses limiting the amount from the insurance the landlord is obligated to spend on replacement or repair or requiring him to repair in case of fire damage only.

Unlimited Liability on Store

Sweeping covenants to indemnify the landlord for loss arising out of the use of the premises may impose practically unlimited liability on the store, he said. Whatever the lease says, the store can be held liable for damage to property rented from others caused by wilful acts or negligence or violation of any of the terms of the lease. Also, the landlord's insurers can and doubtless will try to force the store to reimburse them for loss they pay the landlord because of such damage. This can be very serious.

Improvements made by stores in leased buildings need not be insured unless the store suspects the amount the landlord will be able to recover from his insurance will be inadequate; or the structure does not conform to the building code and the landlord is not insured for the full cost of erecting a new building.

Another potentially serious exposure is the liability for injury to person or property caused by the merchandise the store sells. Goods distributed by a large store includes items that range from the absolutely harmless to the inherently dangerous. Many stores look to the manufacturer for indemnity against losses of this character but this protection may not always be forthcoming. Some retailers manufacture their own goods; some have their own brands made for them by contractors. There is considerable risk of incurring direct and exclusive liability by installing or servicing standard products in a negligent manner, or by altering standard articles so they are unsafe.

Overenthusiastic Endorsement

The retailer may further expose himself to liability by overenthusiastic endorsement of products, or by recommending that products be used for purposes not contemplated by the maker's warranty, or by failing to exercise the customary precautions in the care, stor-

age, handling or dispensing of goods, especially items that are perishable or hazardous. Keep in mind that products may injure property as well as people.

WHAT STORE NEEDS

Years ago a merchant could buy his insurance by preparing a list, handing it to several brokers, and waiting for bids. Not so today, Mr. Brown declared. The individual initiative of the underwriters has been so curtailed by federal and state laws that if the store wants to get effective insurance, it has to earn it.

The first step in effective insurance buying is to select the best possible broker or agent and make him responsible for the entire line; otherwise the store has conflicts and overlaps or lags in coverage. Then sit down with producer and read the policies, he advised. Policies aren't as great a mystery as they are reputed to be.

The store may give its broker all the information in the world, but the buyer has to read the policy after it is produced, to see if that information has been correctly interpreted.

May Force Self Insurance

For merchants with multiple locations lack of an approved rate with credits for wholesale buying and a recognition of loss experience will cost millions. To discontinue this method of writing such risks, he declared, "deprives us of something to which we are entitled and may force us to self insure or go outside the recognized markets for coverage."

For the next few years values for fire insurance on buildings, fixtures and betterments should be watched closely by the buyer, he advised, because their cost is still going up. However, values represented by stocks and values for use and occupancy insurance may go down.

Elevator, automobile and products bodily injury liability present no great problem because of the comprehensive liability policy, he said. On much of this coverage the store can get term rates. However, it is important to carry adequate limits because of the large number of customers and employees concentrated in stores. He said he had examined the policies of many stores and most of them carry "ridiculously low limits."

Doesn't Need All P.D.

Mr. Brown doesn't think the large department store needs property damage insurance, except on automobile and products, which involve hazards away from the store and therefore beyond management's direct control.

The frequency of small workmen's compensation claim is a danger signal in that field, and the store can reduce its insurance costs and attendant expenses by reducing claims. Keep a tab-

lation of trend by activity, he should chaser; the case there store. A amination conditions claims. little or employee getting a w.c. exp Mr. Brown reduction years.

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lution of claims that will reflect the trend by departments and by store activity, he recommended. Also, the buyer should check loss reserves with the insurer; these may be too high, in which case there should be a saving to the store. A preemployment physical examination will reveal hernias and other conditions that may lead to employee claims. During the war stores had little or no choice in the selection of employees, but now they do have and are getting a better class. Consequently, w.c. experience should improve, and Mr. Brown looks for a considerable reduction in basic rates in the next two years.

The reduction in premiums for a good burglar proof safe, use of armored car service, etc., often will pay for such purchases or service, he said. He doubts the wisdom of buying mercantile open stock burglary by the large department store. It can afford to absorb these losses, which usually are fairly small in proportion to the values exposed.

Glass Replacement Valuable

The inspection services that go with boiler and elevator insurance make them extremely valuable to merchants, he said. The replacement service makes plate glass coverage worthwhile. Insured glass gets replaced a lot more promptly than uninsured glass and constitutes the chief value of the insurance. He recalled an explosion in Brooklyn that broke windows over a wide area. Some of the small (uninsured) shops were as long as a month getting glass replaced.

Fidelity coverage is an absolute necessity for all stores, he declared, and it should be the broadest form, which costs so little more than the more restricted types.

The store needs a broad transit policy because the insurance covers stuff outside the store, beyond its control, and because of the almost universal use of motor haulage. The valuable feature is prompt settlement of losses. He cited one Macy claim against a motor carrier which required six years to clean up. It is the only coverage that protects against loss by flood, washout and other acts of God. It covers situations in which the service of the insurer is needed.

Need Outgoing Check Forgery

Check forgery bothers a lot of store comptrollers. Coverage of incoming checks is expensive, and since they ordinarily are written for merchandise they don't represent a catastrophe hazard. However, Mr. Brown does believe stores need forgery coverage on store-issued checks. Here the store could suffer a catastrophic loss before the forgery scheme could be detected.

It is important to get certificates of products liability insurance from vendors and evidence of insurance from operators of leased departments, he said. This is especially true of workmen's compensation on vendor's demonstrators.

The single or small store should not even consider self-insurance, he advised. It is not feasible on fire unless there are a number of locations, in which case it might be practical by participating in losses through coinsurance. It shouldn't be tried on U. & O. by any store; nor in connection with bodily injury, which is a catastrophe hazard. Also, on B.I. it is not practical for the store to maintain an adequate claim and legal service. On property damage, perhaps; on parcel post and incoming check forgery, yes. Parcel post claims represent an amount of dollars hardly equal to the cost of maintaining records.

"Don't go into self insurance because you have not yet had a loss," he warned. "That means you are just so much closer to having one."

The training of specialists by insurers in loss and accident prevention is a valuable contribution to industry, and stores should use them more. The store is apt to get side values, he said and recalled that when Macy's was building a large fur vault on Long Island the cooling system promised to be

very, very expensive. But insurance engineers pointed out that each section could be equipped inexpensively with unit machines to provide proper temperature and humidity.

Clark Advice on Carrier

Whether a store purchases insurance that provides for compensation of its insurance adviser, broker or agent, it needs the advice of competent insurance counsel, Mr. Clark said. The most important factor in selecting a carrier is financial stability. Most insurers can meet regular losses, but the main value

of insurance to a corporation is protection of stockholders against a catastrophic loss, such as San Francisco or Texas City. What if the latter explosion had occurred in New York or Philadelphia? Only the strongest companies would survive.

For liability losses, the carrier must be in business years, perhaps a lifetime, to meet final judgment. Thus adequacy of reserves is an important consideration. Reputation for fair dealing over the years is another characteristic of the kind of carrier insured wants. A third is coverage—a company is needed

that will adjust its insurance writing to meet individual needs. Then there is a vast difference in the quality of service of companies on engineering and loss prevention, on liability and compensation claims.

LACK OF CAPACITY

At least 10% of his clients are now short from \$100,000 to more than \$1 million of property and business interruption coverage required to comply with coinsurance conditions of their poli-

Portrait of a Man With Money to Burn



100,000,000 Reasons to Talk, Sell and Practice Fire Safety

YOUNG or old, rich or poor, the man who strikes a match is a man with money to burn . . . not just his money, but part of his country's wealth as well.

For one brief moment of neglect may destroy millions of dollars worth of property and cause an appalling loss of human life.

More than 100,000,000 adult Americans every day handle fire in some form. The Insurance Agent is the logical person to talk . . . practice . . . and sell fire safety. The

Fire Prevention Committee of the National Association of Insurance Agents says, "Loss Prevention is just as much a part of the agent's bread-and-butter business as the sale of policies."

The Insurance Agent who reminds his friends, neighbors, clients and prospects to be cautious . . . who promotes the adoption of fire prevention measures whenever and wherever he can . . . furthers public welfare, and wins the respect and confidence of his community.

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Prospects and clients will welcome your ideas on fire safety and fire insurance . . . on bringing old policies up-to-date now that building costs, furnishings and other possessions have increased in value.

If, despite your efforts, fire does break out, your client need suffer no out-of-pocket expense.



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cies, Mr. Sleeper said. Yet the understanding is that even though the companies will not sell these stores needed insurance, they will penalize their recovery proportionately in any partial loss sustained.

He called attention to underwriting restrictions imposed by the market, including the recent action by all mutuals in cancelling all the coverage they had for one New York City department store. In many cases they have reduced their writings by 50%. A specialty store in the southwest is reported by agents to be \$3 million short of enough business interruption. This inability to comply with coinsurance requirements is the real difficulty and danger to the store today.

Recently an important New York City loss adjuster told one of Mr. Sleeper's clients that coinsurance penalties have become so prevalent that the companies would be doubtful about the thoroughness of any adjuster who did not find it necessary to apply some penalty in adjusting a loss. When it developed that such deduction was in order, he asked the client for a special letter describing how it has been possible to keep so well informed on building and equipment values, and sent the letter to the companies to protect himself

from criticism.

Cost of building construction has doubled since 1939, he said, and is now 50% higher than in 1945. Store and office equipment costs are 80% higher than in 1939 and 55% higher than in 1945.

Mr. Sleeper, while he took the companies to task for some of today's practices, did not hesitate to put part of the blame on store insurance buyers. He thinks companies are failing in good public relations when, as they apparently do, they fail to recognize the capacity shortage, and when they impose on buyers and producers a lot more work than they used to.

Among the things which are making buyers and producers restless he enumerated: Refusal of companies to renew policies in customary amounts and consequent necessity for dealing with more companies of unknown character. Necessity of examining, correcting, recording, and vouchering many more policies and about the increased handling costs. Need of exploring new sources of supply, get acquainted with strange agents and brokers with unfamiliar business methods and reliability. Growing practice of producers to write that insurance is placed but failing to state in what companies and agencies, which

leaves buyers no enforceable evidence of protection. Increasing gap between order and delivery of policies—four to six months is common. Tremendous uncertainty as to rates and rules on interstate risks.

Finding New Sellers

Buyers are finding new sources of supply and are not apt to go back to the old ones, he warned. It is a wonderful time for agents and insurers to build an abundant and enduring volume on buyer-appreciation.

However, buyers have not been blameless. Some have disregarded safety and prevention, have asked for special coverages that may violate the law, have forced down rates till the risk is unprofitable to the insurer, have been uncooperative. After all, underwriting profits are more important than premium volume to the company.

He urged consideration be given to insurance engineers and their recommendations. Stop making claims for small losses. Get or accumulate losses on the store for each kind of insurance so that the coverage and rate can be intelligently discussed.

Much of the merchant's difficulty in getting enough insurance has been due to his ignorance, negligence and lack of foresight, he declared. In selecting a location, for example, in a prime retail section of Baltimore, one small and three large department stores occupy the four corners of two cross streets, and two more large stores immediately adjoin them. The buildings are sprinklered and three are fire resistive. But their combined values are so great that in event of an uncontrolled fire, hurricane or explosion, the loss potential is so great the world markets can't supply enough insurance to comply with coinsurance. The merchants must now warehouse in outlying districts and have opened suburban stores to draw off as much trade as possible from the congested district.

Directors May Become Concerned

Some insured have omitted fire walls or torn them out to open up large areas, which means the insurer is forced to take a smaller line on the risk. Inattention to factors affecting availability or adequacy of insurance may seriously affect the store's operation and become a matter for the directors of the concern or for lending agencies. Then radical and costly corrective measures will have to be taken.

To meet the problem of enough insurance he also suggested that instead of buying blanket coverage, the buyer divide the insurance into a schedule of items, with a limit on each, so the underwriter can know the maximum liability on each item and fix his commitment accordingly. One insured reduced his blanket form to nine items with a separate limit on each and was able to get \$275,000 from one insurer that would accept only \$65,000 on the blanket basis, and his other insurers increased their limits proportionately. On the unsprinklered items, insured now had the option of using an 80% instead of the previously required 90% coinsurance condition and of buying less insurance, or of continuing the 90% clause and receiving a 5% rate reduction. Buyers in need of more insurance might study this possible solution.

Treat Insurers as Partners

As long as insured treat companies as business opponents and put them on the defensive, they will be apt to adopt the same attitude. Actually insurers are important business partners with insured with a stake in insureds' enterprises. They ought to be treated in that way, he said.

Does a medium sized department store need depreciation insurance?

Mr. Clark answered this inquiry from the floor by recommending its purchase if it is possible to get. While it requires 100% coinsurance, it eliminates all arguments about depreciation, a troublesome point in loss settlements. Get it on machinery and fixtures, too, he said.

Depreciation coverage is the finest advance the fire insurance business has made in many years, he declared.

What is the depreciation rate for insurance on a sprinklered, steel and concrete store building, in order to determine insurable value?

Between one-half and three-fourths of 1% per year, modified by the degree and quality of maintenance.

How often should an appraisal be made?

Mr. Blades said 18 months or two years was frequent enough in normal times; during the sharpest rise in values, every six months was not always frequent enough; today, perhaps every nine months—whatever it requires to keep on top of values.

It is up to insured to know the value of his property, he added.

Liberty Mutual, Associated Reciprocal Exchanges and Arex Indemnity had displays.

Wins Retaliatory Decision

Attorney General Anderson of Nebraska has given an opinion that is favorable to St. Paul-Mercury Indemnity on an issue involving retaliatory taxation.

St. Paul-Mercury is a Delaware corporation and in Delaware the premium tax is 4% on workmen's compensation and 1 3/4% on all other casualty lines. The Nebraska premium tax is 2% across the board.

The attorney general's opinion is that the Nebraska tax should be the same amount as a Nebraska company would have to pay in Delaware with the same volume and division of business. Hence, Nebraska should not tax St. Paul at the rate of 4% on compensation premiums if by doing so, St. Paul is required to pay a greater amount over all than is produced by the 2% Nebraska tax, and also a greater amount than Delaware would exact from a Nebraska company for the same business if transacted in Delaware.

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VINCENT CULLEN
President

Complete Federal Sickness Cover

(CONTINUED FROM PAGE 19)

laboratory costs taken care of by the state.

Some observers surmise that this is an attempt on the part of Gov. Warren to anticipate Congressional action. In other words, if Congress should pass a type of sick benefit legislation that would provide for state administration except where the states do not enact companion measures, then California might find itself at the head of the procession. However, it is felt that the states at this juncture will want to take their cue from Washington and the tendency will be to defer action on the Warren program.

Gov. Warren in his message said that under his scheme there would be absolute freedom of choice on the part of doctors, hospitals and patients. He said the opponents will label the plan socialism, regimentation and compulsion. However he contended that this is no more socialistic than unemployment compensation insurance or workmen's compensation and it is no more compulsion than the public school system. The program would be administered by a health service authority of 10 persons, including the director of public health and employment. This authority would stipulate a system of maximum fees for medical service. The payroll taxes would be imposed on the first \$9,000 of annual income and the bills would be paid directly by the fund. Any person making more than \$6,000 a year would receive the standard fee in cash but he would have to deal independently with his doctor and hospital.

In 1945 Gov. Warren sponsored a very broad health insurance program calling for payment of medical, hospital and other costs of virtually all illnesses out of a 3% payroll levy divided between employers and employees. The program he is now proposing is modeled more closely after what he asked for in 1947.

AFL PROGRAM OUTLINED

AFL President Green has submitted to Congress a four-point program prepared by his social security committee, which follows closely much of President Truman's social legislation program recommended in recent messages.

The AFL program includes OASI coverage extension to about 25 million workers, doubling OASI benefits; providing disability coverage with 26 weeks' benefits for temporary and regular retirement benefits for permanent; national health insurance for 125 million persons; unified national unemployment compensation system; higher employment taxes on employer and employees; maximum payroll tax to be 4% on wages up to \$4,800 a year, 2 3/4% to be enough, however, until health insurance gets fully operating; but part of the cost of social insurance to be borne from general government revenues.

N.A.I.C. Action Leaves Confusion in A. & H.

(CONTINUED FROM PAGE 19)

mittee, announced the speakers so far secured for the congress, which is to be held March 15. James E. Powell, vice-president of Provident Life & Accident, will be the luncheon speaker. Others on the program will include John B. Lambert, Mutual Benefit H. & A., Cleveland, president Cleveland association and general chairman for the National association convention there next June; W. Stanley Stuart, General American Life, St. Louis; Don Compton, vice-president of Combined, Chicago; Carl A. Ernst, North American Life & Casualty, St. Paul; D. Stuart Walker, Mutual Benefit H. & A., Philadelphia; Robert R. Tyler, Loyalty group; E. H. O'Connor, Insurance Economics Society, and Wesley J. A. Jones, assistant executive secretary of the National association.

President Irving Wessman, Loyalty

group, announced that the speaker at the February meeting will be W. E. Leiby, nationally known Los Angeles general agent, and that he also plans to invite H. B. Hershey, new Illinois insurance director, who would be honored at a cocktail party preceding the luncheon. He also stated that the Chicago paid membership is now 193.

W. E. Reinsh, Massachusetts Bonding, Omaha, member of the national executive board, and Wilbur Peterson of Boston were special guests.

Many Texas Questions Reviewed by Department

(CONTINUED FROM PAGE 19)

out and practically every bond subject to experience rating under the approved plans has now been rated in accordance with these plans. The few bonds which have not come up for renewal will be renewed within the next two months, and will be given the same treatment under the rating plan as all other outstanding bonds.

At Aug. 31, which was the close of the fiscal year of the fire insurance division, 5,262 recording agents' and 2,463 solicitors' licenses were in force, Fire Insurance Commissioner Marvin Hall advises Gov. Jester. This was an increase of 58 recording agents and a

decrease of 153 solicitors from the previous year.

For the first time Commissioner Hall received a separate report on inland marine premiums and losses. The first statistics available are for the calendar year of 1947 and showed a total premium volume of \$7,071,352.

Seek to Save Commissions

Temporary rules have been promulgated by Mississippi workmen's compensation commission for administration of the new compensation law. Particular interest is taken in the rule governing assigned risks. The question of whether the agent will receive commission on such business has not been determined. The committee of Mississippi Assn. of Insurance Agents is endeavoring to secure a plan that will provide for payment of commissions in a manner similar to that embraced in the automobile assigned risk plan.

Hear Richards at Hartford

George J. Richards, Monarch Life, member of the executive board of National Assn. of A. & H. Underwriters, spoke at the first 1949 meeting of the Hartford association, discussing National association activities.

N. Y. Producers Prefer Present Graded Glass Fees

New York producers have indicated to the National Bureau of Casualty Underwriters that they prefer to keep the present graded expense program on glass insurance which was put into effect last year, instead of the reduction in total production cost allowance on the line from 35 to 30%, which is being established by the bureau throughout the rest of the country. In New York the commission is graded according to size of risk. There is not much difference in the commissions produced under the New York plan and those that will result from the 30% allowance.

New Hartford Claim Office

Hartford Accident has opened a claims office in Amsterdam, N. Y., in the Blood building. Donald C. McKee is in charge. Mr. McKee was formerly claim representative at Buffalo for Hartford. Prior to joining the company he was with Travelers. He is a graduate of Brooklyn Law School.

William Leslie, general manager of the National Bureau of Casualty Underwriters, is serving on the federal grand jury in New York City.

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ACCIDENT AND HEALTH

Program for H. & A. Conference Winter Meeting Announced

H. G. Kenagy, vice-president of Mutual Benefit Life, will deliver the opening address at the midwinter meeting of H. & A. Underwriters Conference Jan. 31-Feb. 2 at the Stevens Hotel, Chicago. He will speak on "Our Employees and Our Public Relations." The meeting will include discussions of federal and state cash sickness and health insurance legislation, federal and state regulation, hospital insurance, medical insurance and underwriting.

The federal and state picture on the cash sickness and health insurance scene will be discussed by E. H. O'Connor, Insurance Economics Society; R. J. Wetterlund, Washington National, and Bill Howland, conference statistician. John P. Hanna, executive director and attorney of the conference will present the status of other accident and health insurance legislation and insurance department developments.

A report on his study of impaired risks by R. A. MacDonald, supervisor of

personal accident and health claims of Great-West Life, will conclude the Monday afternoon program. He is conducting his study as part of his work for a fellowship in H. & A. Underwriters Conference Institute.

Jarvis Farley, Massachusetts Indemnity, is scheduled to explain the status of the proposed standard provisions revisions Tuesday morning. C. C. Frazer, general counsel of the conference, will discuss the accident and health industry committee work relating to minimum benefits and C. O. Pauley, Great Northern Life, will report for the conference business standards committee.

I. A. Weaver, Secured Casualty, will preside at the hospital insurance portion of the meeting Tuesday afternoon. Among the topics to be discussed are miscellaneous expense trends, increased hospital room and board costs, over-age hospital risks, and over-all hospital admission program.

Wednesday morning, D. B. Alport, Business Men's Assurance, will be chairman of the underwriting session. The agenda includes a case clinic and current underwriting problems.

The medical insurance committee, W. deV. Washburn, American Health, chairman, will hold a discussion on cur-

rent problems and recent trends in medical insurance.

A report on the work of the H. & A. Underwriters Conference Institute and its educational courses will be presented by C. F. Lee, Columbian National Life, chairman of the conference education committee.

V. J. Skutt, Mutual Benefit H. & A., president of the conference, will preside during the three-day meeting.

Hedges Congress Chairman

Bert A. Hedges, Business Men's Assurance, Wichita, has been named general chairman of the sales congress of Kansas A. & H. Underwriters Assn. Feb. 14 at Wichita. He replaces Herbert P. Lindsley, Occidental Life who was relieved due to ill health. Program chairman is E. L. Mack, Provident Life & Accident.

SURETY

Big Contracts Awarded on Reclamation Projects

Pacific Bridge Co., San Francisco, was low bidder when bureau of reclamation opened bids for the improvements at Grand Coulee Dam, with a price of \$1,804,840. Fidelity & Deposit is on the bid bond.

Hubert H. Everist, Westley, Cal., has been awarded the contract by bureau of reclamation at \$3,679,107 for work on the Delta-Mendota Canal, Central Valley Project, in California. Aetna Casualty will execute the bond.

S. J. Groves & Sons Co., Minneapolis, and J. L. McLaughlin, Great Falls, have been awarded the contract by the same bureau at \$5,116,796 for construction of the Shadehill dam, Grand River, in South Dakota. Continental Casualty will execute the bond.

Shaw & Estes Place Bond

In reporting the award to Shaw & Estes of Dallas of the contract for construction of camp building facilities near Los Alamos, N. M., it was erroneously stated that National Surety will execute the bond. The insurance business of this contractor is handled by Ellis-Smith & Co., Dallas, and the final bond was executed on a co-surety basis in American Employers, Great American Indemnity, Trinity Universal and Continental Casualty.

Byrne Reviews Decisions

NEW YORK—Terrence J. Byrne, U. S. Guarantee, discussed court decisions involving various bonds at Surety Claim Men's Forum here. At Mr. Byrne's suggestion, he and other members prepare digests as court decisions are handed down, and these are distributed from time to time through Assn. of Casualty & Surety Companies.

Willard Donovan, Indemnity of North America, will preside at the forum Jan. 27 and discuss form 24 bankers blanket bonds.

Milwaukee Claim Men Elect

MILWAUKEE—Elmer Ziegler, Employers Mutual, has been elected president of Milwaukee Casualty Insurance Claim Managers Council, succeeding Earl E. Langworthy, Travelers. Austin Lutter, General Accident, vice-president of the Roberts Co. agency, was named vice-president, and Carl A. Beckstedt, Liberty Mutual, reelected secretary.

PERSONALS

E. J. Faulkner, president of Woodmen Accident, has been named president of the Lincoln chamber of commerce building committee.

Donald Marquis, agency vice-president of Bankers Life & Casualty, has returned to his desk after an illness of

several months. He was elected agency vice-president late last year after being agency director four years and has been in the insurance business 19 years. He is a member of the executive committee and chairman of the agency committee.

DEATHS

Arthur D. Tenney, 74, who retired in 1934 as cashier of Fidelity & Casualty at the head office, after 33 years with that company, died at Kingston, N. Y.

Albert T. Mowbray, who for many years was a prominent insurance educator, author, and consulting actuary, died recently at San Francisco at the age of 68. His volume "Insurance" has been a standby in insurance educational circles for years. He was professor of insurance at University of California, operating on a somewhat modified basis in recent times. He served as consulting actuary for the California insurance department for several years. He had been with the New York industrial commission, and National Council on Compensation Insurance, and Advisory Council on Social Security. He had been actuary for the California department since 1923. He is credited with having had a large part in putting the California workmen's compensation law into effect.

Mr. Mowbray was regarded as one of the foremost casualty actuaries in the country. His accomplishments would have made him an important figure at any time, but were especially significant since his activity in the field and contributions to it began at about the same time the casualty business in the modern sense started with workmen's compensation laws. He was a student of Albert W. Whitney at University of California and it was from the inspiration of Mr. Whitney and subsequently Mr. Mowbray that there developed sev-

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Immediate opening for two experienced casualty field men for Indiana territory. Personal interview desired. Strictly confidential. Franklin General Insurance Co., 1222 No. Pennsylvania Street, Indianapolis, Ind. Phone Ri 8541. Mr. Poteet.

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Branch office of large casualty-surety company has opening for capable experienced man. Exceptional opportunity for advancement. Salary commensurate with ability. Our own employees know of this advertisement. Give full particulars. Address T-6, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Position open in large Chicago agency for man about 35 years old who is well grounded in the casualty business and able to contact accounts. Replies will be held strictly confidential. Address T-5, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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January 20, 1949

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eral leaders in the casualty field, including G. F. Michelbacher, now president of Great American Indemnity, and William Leslie, general manager of National Bureau of Casualty Underwriters.

Mr. Mowbray took Mr. Whitney's place as the insurance instructor and subsequently as head of the insurance department at University of California. Later Mr. Mowbray was actuary of National Council on Compensation Insurance when Mr. Michelbacher was its secretary. At one time Mr. Leslie taught the course at the university, then Mr. Mowbray returned. He did consulting work for state funds in the west, state employees pension funds, teachers pension funds, workmen's compensation and the like. He was also actuary of the California department, while continuing his academic work.

His was an agile mind, and while he was a fellow of Actuarial Society of America and at various times was connected with life companies as actuary or did consulting work for them, including Pacific Mutual, he made his big mark in the casualty field. At the time he started in it few people were qualified to do actuarial work. He contributed some of the most important ideas to the casualty business, specifically the workmen's compensation business. For example he did much work on the question of how much experience was needed for credibility. He got into the theory of rates when that was a pioneering job. A brilliant man, he was thoroughly prepared in his field, and his career covered an historic time in the casualty business.

CHANGES

American Mutual Changes

American Mutual Liability has appointed Ralph F. Marston resident secretary of the northern New England district with headquarters at Manchester, N. H.

Mr. Marston has been manager at Portland, Me., for five years, after 12½ years in Hartford as sales representative. He joined the company in 1938 as an underwriter at Boston.

American Mutual Liability has opened a new office at 42 Bank street, Waterbury, Conn. Carl C. Brigham, senior sales representative at Bridgeport, has been appointed sales manager, and Alfred G. Devin, claim manager.

Mr. Brigham and Mr. Devin started with American Mutual at Boston in 1939.

New Farm Bureau Offices

Farm Bureau companies of Ohio have opened new offices serving metropolitan Washington, D. C., and metropolitan New York.

The Washington office will be in the Colorado building with Henry K. Westphal, who formerly served as field supervisor in Washington, as state agent.

Office for New York city will be at 23 West 45th street.

James J. Doherty, field supervisor in New York since 1942, has been named state agent in charge of the territory.

Advance Two in N. J.

Eugene P. Rafter, in the underwriting department of the Newark branch of Aetna Casualty for five years, has been named field representative in northern New Jersey. Neill Farley, with the Newark branch since last August, has been made surety representative in the same territory.

Moeller Joins Diers

Walter Moeller, for three years advertising manager of the "Douglas County Legionnaire," has joined the Harold Diers & Co. general agency of Loyalty group at Omaha. Mr. Moeller will be assistant general agent in charge of agency development in Nebraska and western Iowa.

COMPENSATION

Atomic Data Hard to Get

At an American Labor Party conference on proposed workmen's compensation law amendments in New York, held at New York, Marshall Perlin, Schenectady attorney, stated that ailing workers at the General Electric atomic energy plant at Schenectady had been unable to give specific details of their exposure to radioactive materials when conferring with physicians. This prevents adequate treatment, he said. The conference generally asked for expansion of compensation law coverage.

Canadians Study Wis. Methods

WAUSAU, WIS. — Workmen's compensation administration in Wisconsin and methods of Employers Mutual of Wausau were studied here Jan. 9-12 by a group of Ontario officials headed by Charles Daley, minister of labor for the province.

Others in the party from Toronto were J. B. Metzler, deputy minister of labor; E. E. Sparrow, chairman of the Ontario workmen's compensation board; Dr. D. L. Galbraith, vice-chairman; J. F.

Cauley, commissioner. Marshall Dawson, secretary-treasurer of International Assn. of Industrial Accident Boards & Commissions, stopped off enroute back to Washington from Hawaii.

Wisconsin officials who met the Canadians were Voyta Wrabetz, chairman of the industrial commission, C. L. Miller and Harry J. Burczyk, commission members, John R. Lange, insurance commissioner, Harry A. Nelson, director of the workmen's compensation department, and Lloyd Yaudes, chief actuary of the Wisconsin department.

ASSOCIATIONS

Justice Iowa President

DES MOINES—Earl W. Justice, Iowa Home Mutual Casualty, Des Moines, has been elected president of Iowa Casualty & Surety Underwriters Assn. Bernard W. Moore, Cedar Rapids, was named as vice-president and J. Robert Schaefer, Des Moines, secretary.

Adjusters Hear Traffic Head

LOS ANGELES—Capt. H. W. Sullivan, head of the accident investigation

traffic bureau of the police department, addressing Casualty Insurance Adjusters Assn. of Southern California, outlined the procedure through which insurers may secure release of information about accidents from the bureau. He said that because of lack of personnel it is about 48 hours before the bureau can process reports so as to make the information available.

COMPANIES

Delete "Taxpayers"

The title of Security Taxpayers Mutual of New York is in process of being changed to Security Mutual Liability. The policyholders voted approval and all that remains is the approval of the New York department.

New Financing Completed

The capital of Standard Casualty of Lincoln, Neb., has been increased from \$110,000 to \$250,000 and \$98,000 was contributed to surplus through the sale of additional \$100 par value stock at \$170 per share.

"SERVICE
THAT
RENEWS"

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INSURANCE COMPANY

Victor Montgomery, President



HOME OFFICE: LOS ANGELES

BRANCH OFFICE SERVICE FROM COAST-TO-COAST

Insurance Now Top Managers' Concern

The majority of 235 companies co-operating in a National Industrial Conference Board survey on current business practices indicated that they have increased insurance coverage from 50 to 200% since the early 1940s, due to rising prices and higher replacement costs. In 90% of the companies top management indicated it concerns itself with the company's insurance program. Recent disasters, such as that at Texas City, and sharply rising plant and equipment replacement costs have caused management to turn its attention to insurance and as a result some companies are "revamping established methods of handling insurance."

The survey revealed that less than 4% of the companies are completely self insured because this method is deemed desirable only in case of large companies where decentralization of operations spreads and minimizes the risk. Approximately a third of the companies reporting stated that they self insure only to a limited extent.

Review Program Annually

Most of the industrialists indicate that they review their insurance programs annually. Such examinations frequently uncover considerable savings through revision of present policies and elimination of unnecessary contracts covering unimportant risks. Often these savings have been sufficiently high to offset the cost of a broader and more adequate insurance program. Several stated that they have been able to reduce insurance costs by using "all risk" or blanket policies.

The companies were questioned as to loss prevention activities, and many indicated that they maintain safety committees in connection with explosion hazard, smoking and general improvement. Some report that they station a safety director at each plant to investigate accidents and hazards and then make recommendations for elimination of possible sources of loss. Others have rotating safety committees which change membership continually so as to keep the whole working force conscious of risks. Most companies indicated that they have done a great deal to give the working force an incentive to be risk conscious at all times.

Only about one-fourth of company executives reported that their companies use outside insurance analysts on a regular basis. Around 66% do not use these outside insurance analysts

because they believe they are receiving similar service "through contact with company personnel and commercial representatives."

Plan C.P.C.U. Course in Va.

Following the visit of Wayne W. Thompson, assistant dean of American Institute for Property & Liability Underwriters, Virginia Assn. of Insurance Agents has arranged a study group for part one of the C.P.C.U. course. The course will start Feb. 4 using the facilities of the University of Richmond evening school of business administration. A study group of approximately 25 is being enrolled and it is anticipated that the section will be completed in time for the C.P.C.U. examinations this June. James W. Treadway, Richmond, is chairman of the committee making arrangements. Theo. W. Kelley, Richmond, chairman of the educational committee, has announced plans for the formation of similar study groups in Norfolk, Roanoke and Alexandria.

To Entertain Mich. Solons

LANSING, MICH.—Michigan Assn. of Insurance Agents plans dinner meetings here with key committees of both houses, the first of which is a session, scheduled for Jan. 26, with the house ways and means and insurance committees. Subsequently the finance and insurance committees of the senate are to be entertained. Commissioner Forbes will appear at these meetings to outline the department's needs for more adequate appropriations in view of the added responsibilities imposed to assure continuous of insurance supervision at the state level.

Gives Direct Mail Tips

Howard D. Shaw, specialist in business letter writing, addressed the January meeting of Philadelphia A. & H. Assn. Successful use of direct mail requires a lot of time and effort in preparation and application. A systematized campaign can accomplish the dual purpose of obtaining contacts and stimulating the agent to increase his efforts in following up his leads promptly.

Moser Before Adjusters

Henry S. Moser, prominent insurance attorney of Chicago, spoke Thursday at a dinner meeting of the Casualty Adjusters Assn. of Chicago on "Claim Investigations."

Harold J. Toso, vice-president of Newhouse & Sayre, is addressing a luncheon meeting of San Francisco Blue Goose

Jan. 24 on London Lloyds. He has just returned from a long visit to Lloyds.

General Agents' Annual

The American Assn. of Managing General Agents has postponed its annual meeting to May 23-25 at the Commodore hotel in New York City. The postponement was due to a conflict with the convention date of the Board of Underwriters of the Pacific.

Cowley Mobile President

Lloyd T. Cowley has been elected president of Mobile Board of Fire Underwriters, succeeding Stephens Croom. Vice-president is Gabe Gup and secretary is LeMoyn Johnston. The annual party and installation of officers will be held Jan. 27.

Lambert to Speak at Toledo

Speaker at the February meeting of Lucas county board at Toledo will be John Lambert, Cleveland manager of Mutual Benefit H. & A., and a member of the board of National Assn. of A. & H. Underwriters. Mr. Lambert will talk on accident and health as it affects agents handling general insurance.

Fishbein Phila. Speaker

Dr. Morris Fishbein, editor of "The Journal" of American Medical Assn. and a leader in the opposition to socialized medicine, will speak at the annual banquet of Insurance Society of Philadelphia Feb. 21, on "Health and Social Security." Walter Munns, State of Pa., will be master of ceremonies.

Dickinson to Home Office

Malcolm Dickinson, general manager of North America's service office at Newark has been transferred to the home office in Philadelphia, to assist Vice-president C. S. Roberts of Indemnity of North America in the agency department.

Mr. Dickinson joined North America in 1921 as an office boy and has been in Newark since 1938.

James S. Kemper, chairman, and H. G. Kemper, president of Lumbermen's Mutual Casualty, were presented with plaques by International Assn. of Chiefs of Police for their services in promoting traffic safety at a banquet at Chicago last week. Franklin M. Kreml, director of the association's traffic division, made the presentation. The dinner was attended by Lumbermen's Mutual executives and the 1948 class of Northwestern University traffic institute.

Lederer Heads Official Slate of Chicago Board

The nominating committee of the Chicago Board has sent to supervising members its slate of officers for 1949. The vote will be taken at the annual meeting Jan. 27.

Emil L. Lederer, Stewart, Keator, Kessberger & Lederer, is nominated for president. Others on the ticket are: For vice-president, William J. Laadt, Cramsie, Laadt; treasurer, John L. Clarkson, Bartholomay & Clarkson; board of directors, John J. Chavanne, Jr., Anchor agency; George A. Rapp, Rapp & Co., and L. P. Warren, Associated Agencies. Mr. Warren will retire as president after serving for two years.

Nominated for the patrol committee are: A. F. Powrie, manager of Fire Association, and Merlin C. Aleshire, Parker, Aleshire & Co.

Managers Seminar Jan. 21-23

Pennsylvania Life, Health & Accident will conduct its mid-winter seminar in the auditorium of its new home office Jan. 21-23. More than 60 district managers from Pennsylvania, Delaware and Florida are expected.

The program will be in charge of D. C. Miller and H. Z. Miller, vice-president in charge of agencies. R. M. Dallas, secretary, will discuss accounts. J. M. Kahaner will talk on underwriting problems, and J. B. Mears, claims manager, will discuss the claim situation. The seminar also will include sales methods, the introduction of several new policy contracts, and an explanation of a new training program for agents and managers.

Claim Men Hear Cavanaugh

L. D. Cavanaugh, president of Federal Life of Chicago, addressed the January meeting of Chicago Claim Assn. His talk was entitled "My Blueprint of an Efficient and Effective Claim Man."

The turnout was one of the largest in several years. Among the guests were Isaac Miller Hamilton, chairman of Federal Life, Lee Parker, president of American Service Bureau. Kenneth L. Merley, counsel of Federal Life, is president of the association.

Weghorn N. Y. City Head

NEW YORK—John C. Weghorn, president of the Weghorn agency, has been elected president of Assn. of Local Agents of New York City. Vice president is David S. McFalls, president of R. B. McFalls & Son. Russell E. Gatt, president of Thomas J. Hogan Inc., is secretary.

Willmer Named in Mich.

Edwin J. Willmer has been named special agent for Royal Exchange in Michigan. He succeeds Joseph O'Brien, resigned.

O.K. Floor Plan in Fla.

The Florida department has approved the inland marine floor plan cover sale in that state.

Buyers to Hear Helms

Risk Research Institute will hear Joseph O. Helms, assistant manager of Travelers home office casualty claim department, at a luncheon meeting Jan. 27 in New York on adjustment of liability claims and present day problems and trends.

Boston Promotes Sexton

Boston has appointed H. B. Sexton Jr. marine manager at Philadelphia. He entered marine insurance in 1940 with the American Marine Syndicates as a hull underwriter. In 1942 he became a land marine underwriter of Fire Association and special agent in Philadelphia and eastern Pennsylvania. He has recently been special agent for Boston in the marine field.

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Oppose All Govt. Disability Plans, Fraizer Advises

The insurance industry should join with other forces to oppose any and all forms of federal and state sponsored disability insurance plans, especially where government monopoly is being advocated, T. J. Fraizer, attorney, stated in his talk before Lincoln A. & H. Underwriters Assn. Mr. Fraizer is associated with his father, C. C. Fraizer, general counsel of H. & A. Underwriters Conference, in law practice at Lincoln.

Mr. Fraizer pointed out that figures showing more than 51 million people have some form of private prepaid hospital benefit protection indicate that the demand for prepaid medical care plans is bound to increase. The existing consciousness of the public for such protection and political agitation for the government to enter the field has produced a market and demand for A. & H. and hospital insurance which the industry can satisfy and at the same time prove its ability for better service than the proposed government plans.

Workmen's Compensation Example

The field of workmen's compensation should be adequate proof of the capacity of the industry to provide a plan for additional social benefits, he said. Mr. Fraizer advocated that business adopt the attitude of cooperation and be prepared to propose and support plans whereby private insurance shall undertake the obligations imposed upon employers by state legislatures to provide disability benefits.

He pointed out that the government plans so far proposed do not provide for persons disabled while unemployed.

Another Explosion in Pipelines in Indiana

Another explosion occurred Tuesday in pumping stations in Indiana on the Big Inch and Little Inch pipelines of Texas Eastern Transmission Co. This occurred near Batesville. Last Nov. 2 there was an explosion at the pumping station Reddington, Ind., that caused a loss of about \$1 million.

On Tuesday the first explosion occurred on the Big Inch line and then there was an explosion about 10 minutes later on the Little Inch. The lines are parallel at this point.

Much interest is being taken in the cause of these explosions. The trouble definitely seems to come at the valves. There is some surmise that the cast iron valves which were originally installed when these lines were constructed for carrying oil, may not be adequate for the pressure of gas.

The Querbes & Bourquin agency of Shreveport, La., has the insurance. According to unconfirmed reports the risk is carried by London Lloyds.

New Gulf Man in Okla.

Gulf has appointed J. G. Derrick, formerly with Oklahoma Inspection Bureau, as special agent to assist State agent Floyd P. Chenault at Oklahoma City. Mr. Derrick will travel out of Oklahoma City and will handle part of the territory heretofore traveled by C. N. Barton, who continues as first assistant to Mr. Chenault.

To Install Ullman Jan. 25

Julius L. Ullman, Perrin & Son, New York general agents of Continental Casualty, will be installed as president of the Accident & Health Club of New York at a dinner meeting Jan. 25. Installation official will be Lawrence K. Farrell, 3rd vice-president of Metropolitan Life in charge of the accident and health division of the ordinary department, who will speak on the history of the club.

Rockford Blue Cross Maintains Independence

The statement in the Dec. 24 NATIONAL UNDERWRITER that the Chicago Blue Cross will "eventually" take over Northern Illinois Hospital Assn., which is known as the Rockford Blue Cross, is entirely without foundation so far as any intention on the part of the Rockford organization is concerned, according to officials of that plan. The Northern Illinois plan is doing business throughout a large section of downstate Illinois where it has contracts with local hospitals. Under a ruling of the Illinois insurance department, a Blue Cross unit must have contracts with accessible hospitals before it may solicit business in any territory.

All-Industry Group Resumes Deliberations

The all-industry committee is meeting Jan. 24 at the Hampshire House, New York, to continue its deliberations on state legislation to control mail order insurance companies; also to be discussed is whether the all-industry committee should make a presentation at the next federal trade commission trade practice conference on mail order insurance.

Henry Miller, chief of the FTC/TPC division, says about three week's notice will be given of the next public hearing on proposed trade practice rules for the mail order insurance industry.

Although TC doors are open to any group that wishes to consult with commission people about trade practice rules proposed for the mail order industry and any proposals for rules that may be in the wind for other segments of the industry, Mr. Miller says no such informal conference is scheduled. He opined that FTC's next step in dealing with the insurance industry will be circulation of proposed revised mail order rules, which will serve as notice of the next public hearing on insurance.

Complete Ida. Organization

The organization of the Western Idaho Assn. of A. & H. Underwriters was completed at the second meeting Jan. 10. Directors were elected, they being: H. S. Reed, Beneficial Standard Life; Warren Hill, Travelers; Ross Chastain, Northern Life; Wallace May, Mutual Benefit H. & A.; Douglas Williams, Aetna Life and R. D. Crow, Occidental Life.

James Hubbard, Idaho commissioner, was the speaker. The next meeting will be Feb. 7 at which time legislation will be discussed.

Stewart Pittsburgh Speaker

The educational meeting of Insurance Club of Pittsburgh will be held Jan. 31. The principal speaker will be W. Howard Stewart, president of Pennsylvania Assn. of Insurance Agents. A large attendance is indicated.

Moves New York Office

Security Mutual Casualty of Chicago has moved its New York office to 79 John street. The manager is E. N. McNamara, who has been with Security Mutual about 25 years and who has been manager at New York since 1938.

Sampson Miss. State Agent

J. E. Sampson, special agent for Home at Jackson, Miss., has been appointed state agent there. He joined Home in 1941 as staff adjuster, becoming a special agent in 1944. He continues under Manager Edward Yerger.

Coakley to Philadelphia

Bankers Indemnity has appointed William D. Coakley claims manager at Philadelphia, effective Feb. 1.

La. Field Men Are Briefed on New Licensing Law

Frank B. Purvis, attorney for the Louisiana insurance department, addressed the January meeting of Louisiana Fieldmen's Assn. He explained the regulations on licensing of agents and solicitors for fire, casualty and marine under the new code, and answered many questions.

Agents and solicitors are required to apply for their own licenses and pay a fee of \$2. In partnerships and corporations, the members and officers, or anyone connected therewith who solicits business or countersigns policies, must secure a license and pay a fee of \$2, and the partnership or corporation must also secure a license. While the agent secures only a single license each company represented in the office must certify the agent and pay a \$2 fee. In partnerships or corporations they certify only the legal entity and not the individual. Certifications by the company must be signed by an authorized resident representative.

Renewals for Present Agents

Agents holding 1948 licenses merely apply for renewal on the required form and each company in the office must certify the agent.

First time applicants for licenses as agents or solicitors are required to fill out a special form. They must be residents of the state and have a principal office. They must state their insurance experience or training and certify that they intend to engage in the business with the general public, and are not seeking the license primarily to write insurance on their own property, or on the property of relatives, or of their employer. Such applications must be accompanied by application for agency appointment by the insurance company.

Solicitors are the responsibility of the

agent represented, and are not certified by the company.

Applications for renewal of licenses must be filed by March 1.

Allen Smith, manager of Louisiana Assn. of Insurance Agents, also addressed the meeting. He stated the association planned regional meetings during January and February to acquaint the agents with the new law and discuss other matters. Field men and various state insurance officials will attend these meetings.

Great American Reserve Names Shields at H. O.

H. V. Shields has been appointed educational director of Great American Reserve of Dallas. He has been associate professor at the insurance marketing school at Southern Methodist University and before that was a district manager for Union Central Life.

Mr. Shields will inaugurate a series of home office training classes for Great American Reserve.

deNicola to Underwriting Post for Preferred Accident

Harry E. deNicola has joined Preferred Accident as secretary of the underwriting department.

Mr. deNicola has been in the insurance business as a casualty underwriter for 20 years except for a period of service in the army in the last war. Most recently he has been division manager in charge of special risks for Employers Mutual Liability at New York. He has been with Zurich, Great American Indemnity and American Mutual Liability.

Colonel Norman Wahl and his family have left for a month's vacation at Hollywood, Fla. Mr. Wahl is the owner of the Wahl agency of Chicago.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Debate Adoption of N. Y. Standard Policy in Minn.

MINNEAPOLIS—Lines are being drawn in the fight for and against adoption in Minnesota of the New York standard fire policy. A letter has been sent to members of Minnesota Assn. of Insurance Agents by Frank S. Preston, chairman of the legislative committee, opposing the New York form.

A minority report of that committee is also being prepared which objects to the findings of the committee as "prejudiced" and recommends that a special committee be appointed to study the subject. President Jess Bradley of Duluth has asked Mr. Preston that his committee undertake negotiations with company representatives in order to prepare a Minnesota form "that will be a progressive step in our industry."

Last Dec. 10 the executive committee of association went on record as "opposing adoption of the New York policy in its entirety as a substitute for the Minnesota policy in its entirety."

In his letter, Mr. Preston said: "It appears clear the proposed form would impose unnecessarily onerous obligations on the assured and would fail to give him many of the 'safeguards and the protection which he has in our present policy. It is well to bear in mind that the proposed form was welcomed with approval by many states because it was an improvement over the former New York standard policy which those states had been using. Such is not the case in Minnesota, however, which for years has had a standard policy more favorable to the public than the one now proposed."

President Bradley, in a letter to Mr. Preston, stated: "It seems to be the opinion of the executive committee that their resolution would permit you to negotiate a more favorable form. . . . The report of your committee seems to throw out any idea of negotiating improvements in our present form, which we believe is an unsound position for your committee to take. Our directors feel that all the advantages of the Minnesota form should be retained. At the same time we realize that a better and more up to date form should be adopted for the benefit of the public."

Start Milwaukee Courses

MILWAUKEE—Wisconsin Assn. of Insurance Agents, in cooperation with the University of Wisconsin division in Milwaukee, is sponsoring evening courses in fire, casualty and surety insurance during the second semester, for agents in southeastern Wisconsin. The N.A.I.A. certificate will be awarded.

Harold Watson, Milwaukee local agent and former field man, will instruct both the introductory course in casualty, surety and fire insurance for newer agents and agency employees as well as insurance buyers, and the advanced course. Mr. Watson is chairman of the educational committee of the W.A.I.A. and vice-president of the Baerwald-Hoffman agency.

Wis. 1752 Club Elects

MILWAUKEE—J. Leonard Henderson, American Mutual Fire, was advanced to president of Wisconsin 1752 Club, to succeed Harold Weiss, Madison general agent, at the annual meeting here. Clarence Loverud, Iowa Mutual Liability, Sparta, is vice-president; Charles Van de Zande, Campbellsport Mutual Fire, secretary.

In cooperation with Wisconsin Fed-

eration Mutual Insurance Companies, the club will participate in the spring regional meetings in a number of key cities of Wisconsin. Herbert Otten, Milwaukee, official of Wisconsin Federation of Insurance Agents, discussed company-agent relations.

Two Minneapolis Courses on Insurance Coverage

MINNEAPOLIS—Two educational courses for fire insurance men are announced. Beginning Jan. 24 a 14-week course in fire and marine will be offered, sponsored by the Insurance Club of Minneapolis, with Paul Olinger, state agent of Agricultural, as instructor. Classes will be limited to 30 men and women employed by club members. There will be no tuition charge.

Feb. 21-23 a three-day seminar on insurance will be conducted on the campus of University of Minnesota. Enrollees will have choice of two of these four subjects:

"Building Agency Prestige," R. E. Farrer, director of education, National Assn. of Insurance Agents, instructor; "Time Element Coverages," W. S. Ellis, Chicago, assistant manager Royal-Liverpool, instructor; "Fire Insurance and Allied Lines," R. K. Hill, Chicago, secretary Springfield F. & M., instructor; (a) "Burglary Coverages," H. E. Foos, Baltimore, U. S. F. & G. burglary superintendent, instructor, and (b) "Plate Glass Coverages," E. R. Barton, U. S. F. & G., Minneapolis, instructor.

EAST

Mass. Brokers Plan Big Day Jan. 27

BOSTON—An all-day working meeting of the Insurance Brokers Assn. of Massachusetts will be held at the Copley Plaza hotel Jan. 27, with speakers in the morning and afternoon and a luncheon meeting.

Morning speakers and their subjects will be C. F. Lee, Columbian National Life, "Accident and Health"; Bromley DeMeritt, Hartford Steam Boiler, "Boiler and Machinery"; J. E. Borhek, Employers group, "Comprehensive General Liability"; H. P. Cooley, New England Mutual Life, "Life Insurance"; H. I. Bartlett, Boston, "Personal Property Floater"; W. D. Chappell, Aetna Casualty, "Survey Selling," and T. W. Keany, American group, "Use and Occupancy."

State Legislator on Program

At noon Richard H. Lee, state senator, chairman special legislative commission on workmen's compensation laws, will speak on "The Threat of a State Fund."

In the afternoon R. E. Farrer, director of education National Assn. of Insurance Agents, will speak on "Keeping Posted"; Oscar Beling, Royal-Liverpool, on "Insurance Office Management," and John Adam, Central Manufacturers Mutual, on "Sink or Sell."

President H. A. Reardon and Vice-president M. J. Ladd are in charge of the program.

Boston Courses Starting

BOSTON—Insurance Library Assn. Monday opened its second semester of classes with a course in suretyship. This course, to be conducted for 10 evenings, is under direction of Charles E.

Megargel, manager Fidelity & Deposit. Clifford F. Sollows, marine special agent of Boston, again will conduct the course in inland marine insurance which will start Feb. 1.

The casualty course will begin Feb. 3. Lecturers will be Ralph Ashton, instructor education department, Employers group; H. G. Donovan, manager special risks department, Massachusetts Bonding; R. W. Sanderson, home office examiner, claim department, Employers group; Fred J. Graf, assistant vice-president Massachusetts Bonding.

SOUTH

Ark. Agents Qualification Bill Is Introduced

LITTLE ROCK—Arkansas Assn. of Insurance Agents is continuing its drive for enactment of an agents qualification law with introduction of a bill in both houses of the legislature. In the senate the bill was introduced by Sen. G. Blackwell, Pine Bluff; in the house by Rep. William Rector, Little Rock, both insurance committee chairmen.

The bill applies to all stock and mutual agents and solicitors, their clerical office employees being specifically exempted. Also exempted are agents of life, health and accident, burial, title, and farmers mutual aid insurance companies; supervising general, state and special agents of fire and casualty companies; attorneys-in-fact or traveling salaried representatives of reciprocals and mutuals, ticket-selling agents of railroads, and automobile dealers and finance companies who write only automobile fire, theft and collision. If the latter write other lines of insurance they come under the bill.

First time applicants are required to pass an examination prescribed and given by the commissioner but all presently licensed agents will be requalified without examination. Qualifying certificates will be renewable annually. Before any company can appoint and license an agent, he must hold a qualifying certificate. Thus, the bill superimposes a qualifying procedure over the present licensing system, which is left intact. Companies still will pay a \$2 license fee per agent; fee for the agent's examination is \$10 and certificate renewal fee \$1 annually. There are provisions for temporary or emergency licenses, and also for the commissioner to revoke or refuse to issue certificates for cause after notice and hearing.

The present bill is the culmination of a six-year fight by the Arkansas association to establish, by legislation, standards of competence for fire and casualty agents and represents the combined thinking of companies and agents. It was prepared by joint action of the agents' legislative committee and a committee of the Arkansas Assn. of Managing General Agents, representatives of the Casualty Assn., and counsel of the latter and the National Board.

C.P.C.U. Course at Richmond

A night study course is to be started at University of Richmond Feb. 1 to prepare insurance men for the C.P.C.U. examination. It will be under the supervision of Dean F. Byers Miller of the university's evening school of business administration. It will be the first course of its kind in Virginia.

Ragan Committee Head

NASHVILLE—James B. Ragan, local agent, Chattanooga, has been elected chairman of the senate insurance committee. Other local agents on the committee are Perry Pipkin, Memphis, and Don Lewis, Elizabethton.

COAST

Storm Elected President of King County Assn.

SEATTLE—A report on the Hemispheric Insurance Conference at Mexico City was given by Louis LaBow, president of LaBow, Haynes Co., at the annual banquet of King County Insurance Assn.

J. R. Storm was elected president of the association, succeeding H. P. Sargent, who was presented matched luggage by the membership. Irwin Mesher, executive secretary, received an engraved wrist watch on his 15th year with the association.

Elwell C. Case of McGraw, Kittinger & Case was elected vice-president and W. C. Greer of Greer & Edmiston Co., secretary. New trustees are LeRoy Hunter, Robert P. Cunningham and Clayton H. Rychard.

Certificates of completion of the N.A.I.A. course were awarded. There was an attendance of 313, including city, county and state public officials, as well as officers of Washington Assn. of Insurance Agents, at the banquet.

Turner Elected President of L. A. Association

LOS ANGELES—Insurance Assn. of Los Angeles elected these officers: President, C. J. Turner, Emmett & Chandler; vice-president, Van F. Joy, Joy & Davidson; directors, R. E. Battles, retiring president, R. A. Rowan & Co.; J. H. Brock; J. A. Lindsey, Jr., Akers & Co.; W. E. Roskam, Jr., Scott & Hesse; H. J. Ross; and D. B. Willcuts.

The officers were installed at the annual dinner at which Commissioner Downey administered the oath of office and W. B. Welsh, past president National Assn. of Insurance Agents, was installing officer.

W. H. Menn, also past president of N.A.I.A., on behalf of the association presented Mr. Battles a beautiful wrist watch. He commented that the Los Angeles association is the largest local affiliated with N.A.I.A. An entertainment program followed.

Roloson Retires from Providence Wash. Post

G. M. Roloson is retiring Feb. 1 as assistant Pacific Coast manager of Providence Washington, due to ill health. He started with a local agency at Oakland in 1921 and then in 1926 joined National Union Fire. When the supervision of that company on the Pacific Coast was combined with Boston and Providence Washington in 1934, he became automobile and inland marine underwriter. He went into the field in 1945 and was named assistant manager in 1946. When the companies separated in 1948, Mr. Roloson continued with P.W. He will continue to reside at 143 Arlington street, Berkeley.

McGuire Seattle Manager

Lawrence A. McGuire has been appointed resident manager at Seattle for American International Underwriters and American International Marine Agency. He succeeds Norman Shean, who opened the office in 1946. Mr. Shean is being transferred to New York for a short time and will then go to London for six months.

Mr. McGuire was reared at Tacoma and was at University of Washington two years. He was in the army five years, being discharged as a captain in 1946. After graduating from the school of business administration of University of California, he joined American International at San Francisco.

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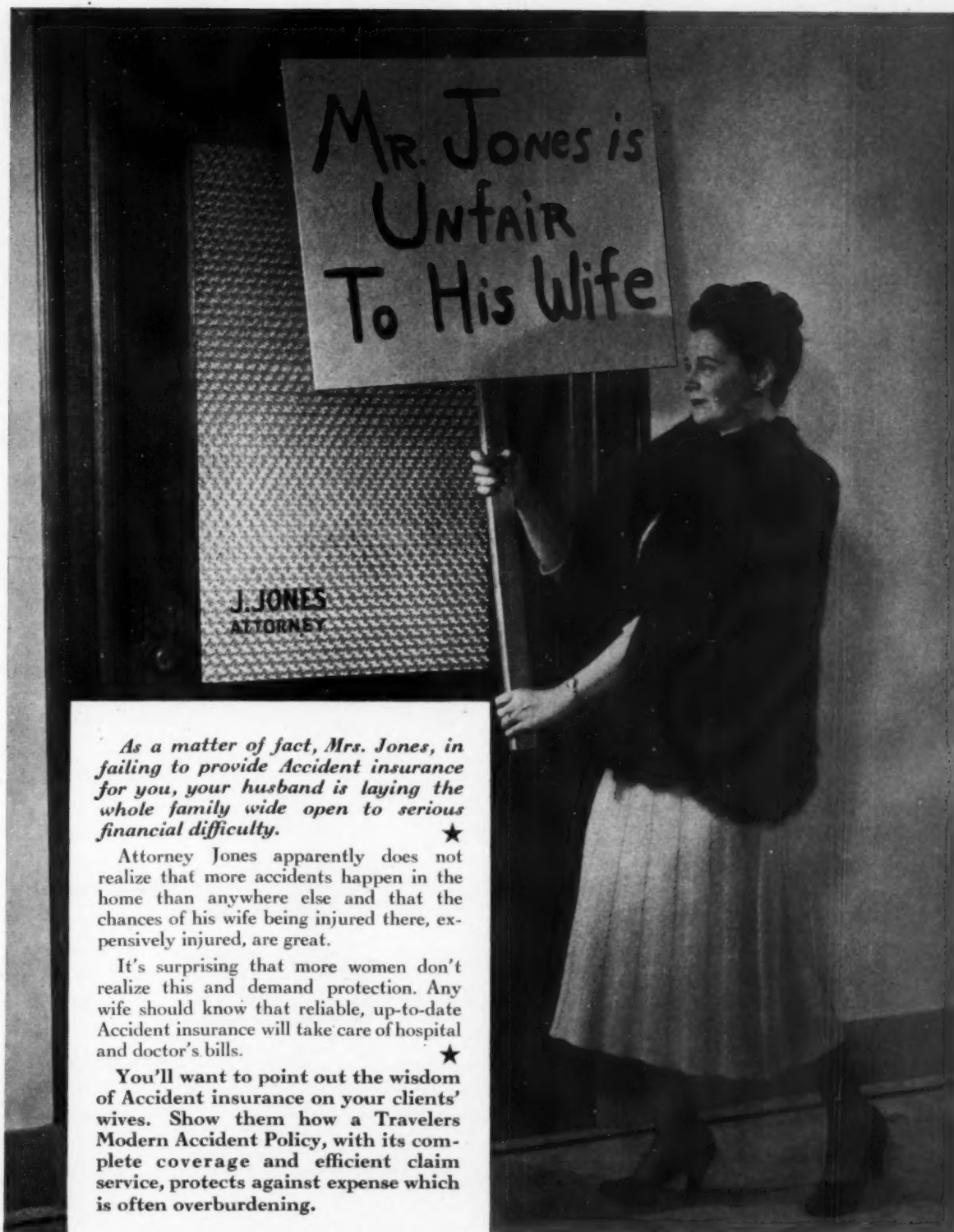
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MR. JONES is UNFAIR To His Wife

J. JONES ATTORNEY

As a matter of fact, Mrs. Jones, in failing to provide Accident insurance for you, your husband is laying the whole family wide open to serious financial difficulty. ★

Attorney Jones apparently does not realize that more accidents happen in the home than anywhere else and that the chances of his wife being injured there, expensively injured, are great.

It's surprising that more women don't realize this and demand protection. Any wife should know that reliable, up-to-date Accident insurance will take care of hospital and doctor's bills. ★

You'll want to point out the wisdom of Accident insurance on your clients' wives. Show them how a Travelers Modern Accident Policy, with its complete coverage and efficient claim service, protects against expense which is often overburdening.

The Travelers Insurance Company
Hartford, Connecticut



John Quincy Adams' birthplace
Built in 1716



John Adams' birthplace
Built about 1681

The Penn's Hill Cottages

Where Two Presidents Were Born

WHEN John Adams was courting Abigail Smith, the young lady's father at first did not look with favor on the match and preached a sermon from the text, "Mary hath chosen the better part," in reference to his other daughter's sounder prospects. Nevertheless, Abigail's husband became a distinguished statesman and our second President, while Mary's acquired only reflected fame.

John Adams was born in the family cottage at the foot of Penn's Hill in what was then Braintree, Massachusetts. After his marriage in 1764 he moved into the neighboring house which he had inherited from his father and opened his law office in the old kitchen. In this cottage his son, John Quincy, was born.

Though for a time the Adams family lived

Abigail and John Quincy were subjected to the confusion and terror of wartime. Militia men and refugees were often quartered in or near the two cottages, wounds were washed and dressed and the family's pewter spoons were cast into bullets.

From a rock on Penn's Hill little John Quincy and his mother watched the smoke of burning Charlestown and listened to the distant cannon during the battle of Bunker Hill. So vivid was his mem-

ory of that occasion that on its eleventh anniversary he could not take part in a celebration, remarking "... the ground which had been the scene of such an awful Day should not be made a scene of Revels and Feasting."

When John Adams went to France to represent the Continental Congress in 1778, he took John Quincy with him. Abigail could not bear to watch

them sail, but her husband wrote that "Johnny behaved like a man." A year and a half later the boy once more accompanied his father to Europe and after peace

was declared Abigail joined them. She and her husband never again lived in their Braintree home though John Quincy spent two summers there after his marriage. Like his father, he devoted himself to the service of his country and was finally rewarded with the Presidency.

It was from the Penn's Hill cottage that Abigail Adams wrote her famous letters and

in one of these there is evidence that in spite of his enforced absence, her husband held his home dear, for she said, "This little cottage has more heartfelt satisfaction for you than the most brilliant court can afford."

The birthplaces of John Adams and his son are now owned by members of the Adams family and are used as the headquar-

ters, respectively, of the Quincy Chapter of the Daughters of the Revolution and the Quincy Historical Society.

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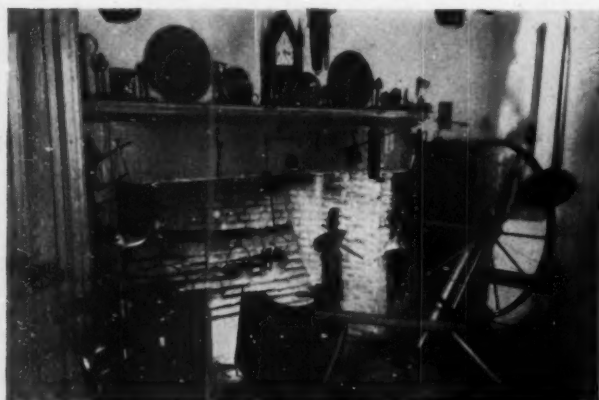
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Fireplace with oven in kitchen of John's and Abigail's cottage

in Boston, the disturbances prior to the Revolution compelled them to return to their Braintree home. Here too, though official duties kept the elder John away from home,

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